

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

CITY OF MISSION, KANSAS

For the Fiscal Year Ended

December 31, 2018

Prepared by:

FINANCE AND ADMINISTRATION DEPARTMENT

CITY OF MISSION, KANSAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended December 31, 2018

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April 24, 2019

To the Citizens of the City of Mission, Kansas

The City of Mission is pleased to submit the comprehensive annual financial report for the fiscal year ending December 31, 2018. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report includes all funds of the City. The City provides a range of services including police protection, trash services, construction and maintenance of streets and infrastructure, and recreational and cultural activities. Except for Rock Creek Drainage District #1 and Rock Creek Drainage District #2, there are no other entities over which the City exercises financial accountability.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

COMMUNITY PROFILE

The City of Mission is located in northeastern Johnson County, Kansas, a suburban area of the Kansas City metropolitan area. The City lies adjacent to a major transportation corridor, Interstate 35, and is accessible to the entire metropolitan area. The City has a population of approximately 9,490 (2016 5-Year Census Estimate), and covers an area of 2.7 square miles, of which nearly 100% is developed.

The City of Mission was incorporated in 1951 and became a City of the Second Class under Kansas statutes in 1959.

The City operates under a non-partisan Council/Mayor form of government. The Council is comprised of eight members elected from four wards, with equal representation from each ward. Each councilmember representing a ward is elected, on a staggered basis, for a four-year term. The Mayor is elected at large for a four-year term. The Mayor and Council are responsible for all policy-making functions of the City.

The City Administrator is appointed by the Mayor and Council and serves as the chief administrative officer of the City. The City Administrator is responsible for the implementation of policies adopted by the Council and is also responsible for the general operations of the City.

The City has five operating departments including Police, Public Works, Parks and Recreation, Community Development and Administration. The City has a total of 69 full-time employees. Other services including fire protection, water distribution, waste water collection, and education are provided by separate entities.

The City has traditionally been viewed as a bedroom community, offering convenient services, a small town atmosphere, comfortable living conditions, a family environment, and a variety of outstanding residential neighborhoods with highly rated schools. Residents enjoy an excellent standard of living as a result of the active community spirit, an award-winning school system, low crime rates and high quality service delivery. The governing body proactively addresses quality of life issues to ensure that the current standard of living is not only maintained, but ultimately enhanced.

ECONOMIC CONDITION AND OUTLOOK

The business environment within the City of Mission provides a good balance between retailers, professional services, and corporations in a variety of industries including adult education, pharmaceutical, broadcasting, auto, publication and advertising.

Since the 1930s, the Johnson Drive corridor, which bisects the city from east to west, has served as the retail trade area for Northeast Johnson County. Various national and local retailers, businesses, professional services, and boutique shops are located along the historical Johnson Drive corridor. Both ends of the corridor are anchored by shopping centers that offer dining and shopping opportunities for residents and visitors. In addition, the City offers a full-service grocery store and a national, big-box retailer.

The City has numerous small to medium-sized office buildings for professional service providers, including doctors and dentists, veterinarians, lawyers, and architects. Financial services, such as insurance companies, banks, and accountants are also well represented among the City's businesses. There are several, medium to larger office buildings located primarily on the west side of the City that provide office space for various corporations.

In addition, the City is adjacent to the major transportation corridors of Johnson Drive, Shawnee Mission Parkway and Interstate 35.

The City Council works to meet the needs of existing businesses, while simultaneously dedicating resources to attract new businesses. Property and sales tax revenues generated by the business community are vital to the City's financial stability. The City's property mill levy remains one of the lowest in Johnson County and in the State of Kansas.

MAJOR CITY INITIATIVES

The City of Mission has been recognized throughout the Kansas City metropolitan area, and the larger mid-west region, for its forward thinking visioning and planning processes. A comprehensive plan and several master plans that were adopted prior to the recession have set the foundation for innovative redevelopment projects that have come to fruition in just the past few years.

Two new redevelopment projects along Johnson Drive began this past summer. The Mission Trails project at 6201 Johnson Drive entails the demolition of the former Pyramid Insurance Company headquarters building and construction of a five-story, mixed-use development consisting of approximately 200 luxury apartments with clubhouse, leasing office and restaurant on the ground floor. Construction is anticipated to be completed in 2020.

The other project is The Gateway development located at the corner of Johnson Drive and Roe Avenue at the City's eastern boundary. This 540,000 square foot, multi-story, mixed-use development includes a 160-unit apartment building, hotel, office building, and retail and entertainment venue. Construction is anticipated to be completed in 2022.

Both of these projects represent a significant investment in the community, and come on the heels of other recent commercial development in the past few years including Mission Crossing in 2013 and Cornerstone Common in 2015.

In addition to the private investment in the community, the City has also invested public funds into reconstruction and updating of its infrastructure and facilities. Street and transportation network investments are a high priority for the City. The reconstruction of Johnson Drive in 2014, from Lamar to Maple, represented the single largest project completed by the City in the past 10 years. Totalling more than \$10.5 million, the project included utility relocation and upgrades, the installation of storm water infrastructure, wider sidewalks, ADA ramps and cross walks, decorative lighting, and other pedestrian amenities. Now complete, the project has transformed an important retail corridor in the community, and quickly become the catalyst for further redevelopment opportunities such as those previously mentioned. Reconstruction of Johnson Drive from Lamar to Metcalf is being planned for within the next five years, and will incorporate many aspects of the first phase.

The reconstruction of Foxridge Drive from 51st to 56th Street was completed in 2018 and included sidewalks, streetlights, and stormwater infrastructure along this corridor. The second phase of the Foxridge Drive reconstruction from 56th to Lamar is anticipated for 2020. This project will include full-depth reconstruction and major storm water improvements, as well as sidewalks and streetlights. The residential street maintenance program continues to address intermediate maintenance needs throughout the City. Curb and gutter repairs and ADA improvements were the primary focus of the street maintenance program in 2018. The City's ¼ Cent Street Sales Tax was used to leverage federal funding and local county funding for both the Johnson Drive and Foxridge projects.

Residents have enjoyed a new outdoor aquatic facility that was opened in May of 2014. A second water slide was added for the 2018 swim season. Debt service for construction is paid with a portion of a dedicated 3/8-cent sales tax to be used for parks and recreation. The remainder of the funds provide an important revenue stream for continued maintenance and improvement of our recreation facilities as well as a source of funding for recommendations that have been identified in the City's recently adopted Parks Master Plan.

The City continues to promote organizational efficiency and effectiveness through technology upgrades, management of a classification and compensation system, and on-going evaluation of employee benefits. This past year significant upgrades to the City's technology infrastructure were completed including network cabling upgrades and a new primary data closet, replacement of the City-wide phone system, and installation of a new surveillance camera system.

The City has made strides in the past few years with updating its classification and compensation plan. In addition, the City continues to evaluate and enhance its employee benefits so as to offer good coverage at reasonable prices. And, a continued emphasis on workforce training and development provides employees with the necessary skills to deliver quality services to the citizens of Mission.

FUTURE INITIATIVES

The City continues to explore new and diverse ways to support redevelopment efforts throughout the community. Our work focuses on ensuring redevelopment that results in high quality, sustainable projects benefiting not only Mission but the entire region. Mission supports efforts for long-range, comprehensive capital infrastructure planning and budgeting; refining strategies for the on-going maintenance, repair and replacement of our important infrastructure assets.

The City will undertake an update of its comprehensive land use plan in 2019. This will include a citizen satisfaction survey, which the City does every four years to gauge citizen satisfaction with services and programs, quality of life, and future priorities and initiatives.

The City continues to evaluate Parks and Recreation services to develop sustainable operating plans for the Community Center, the municipal swimming pool, and the 30+ acres of parks and recreational facilities maintained for the benefit of Mission residents. City staff will continue to work with the City's Parks, Recreation and Tree Commission in 2019 to implement recommendations of the recently adopted Parks Master Plan. Funding for these initiatives will come primarily from the 3/8 Cent Parks and Recreation Sales Tax, which is due to sunset in 2023.

The Public Works Department began a significant evaluation of the City's street infrastructure in 2018 by doing core sampling of the subsurface of a number roads and streets throughout the City. This information will be analyzed and combined with other data in 2019 to develop a comprehensive condition rating report of the City's transportation infrastructure. This condition rating report will then be used as a tool to prioritize infrastructure needs with available financial resources. Future transportation infrastructure needs are being addressed through a 7 mill increase in property tax that the City adopted three years ago, and the ¼ Cent Street Sales Tax, which is due to sunset in 2022.

A similar evaluation is also being undertaken in 2019 for the City's stormwater infrastructure. When completed, the City will be able to utilize this report to evaluate the most effective method for addressing stormwater infrastructure needs and future maintenance of the system. The City will continue in 2019 to address issues with the Rock Creek stormwater channel between Roeland Drive and Nall Avenue where significant erosion has occurred over the past decade. These projects are funded through the Storm Water Utility Fee, which is an annual assessment placed on all developed property in the City.

The Police Department remains committed to improving the level of service to the community. Continued emphasis on traffic safety and enforcement contributes to the overall safety of both residents and visitors alike. The Mission Police Department will also maintain its focus on training, keeping personnel abreast of a variety of professional trends and development opportunities. The Mission Police Department, in conjunction with other Johnson County law enforcement agencies, will implement a new county-wide police records management and reporting system in early 2019. The Mission Police Department will also be preparing in 2019 for upgrades to its emergency radio system for interoperability with other area agencies.

With completion of upgrades to the City's technology network, efforts will turn in 2019 to major software upgrades including new municipal court case management software and financial management software. A space needs study is also planned for 2019 to evaluate the City Hall/Police Department shared facility for future renovation and/or expansion.

FINANCIAL INFORMATION

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

BUDGETARY CONTROLS

The City maintains various budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, and Debt Service Funds are included in the annual appropriated budget. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at year-end. However, unencumbered appropriations do lapse. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

Kansas statutes require an annual audit of the City's financial statements. The audit for 2018 was conducted by Berberich Trahan & Company, P.A., Certified Public Accountants and their report on the financial statements is included in the financial section of this report.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ending December 31, 2017. This is the twenty-fifth consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

ACKNOWLEDGEMENTS

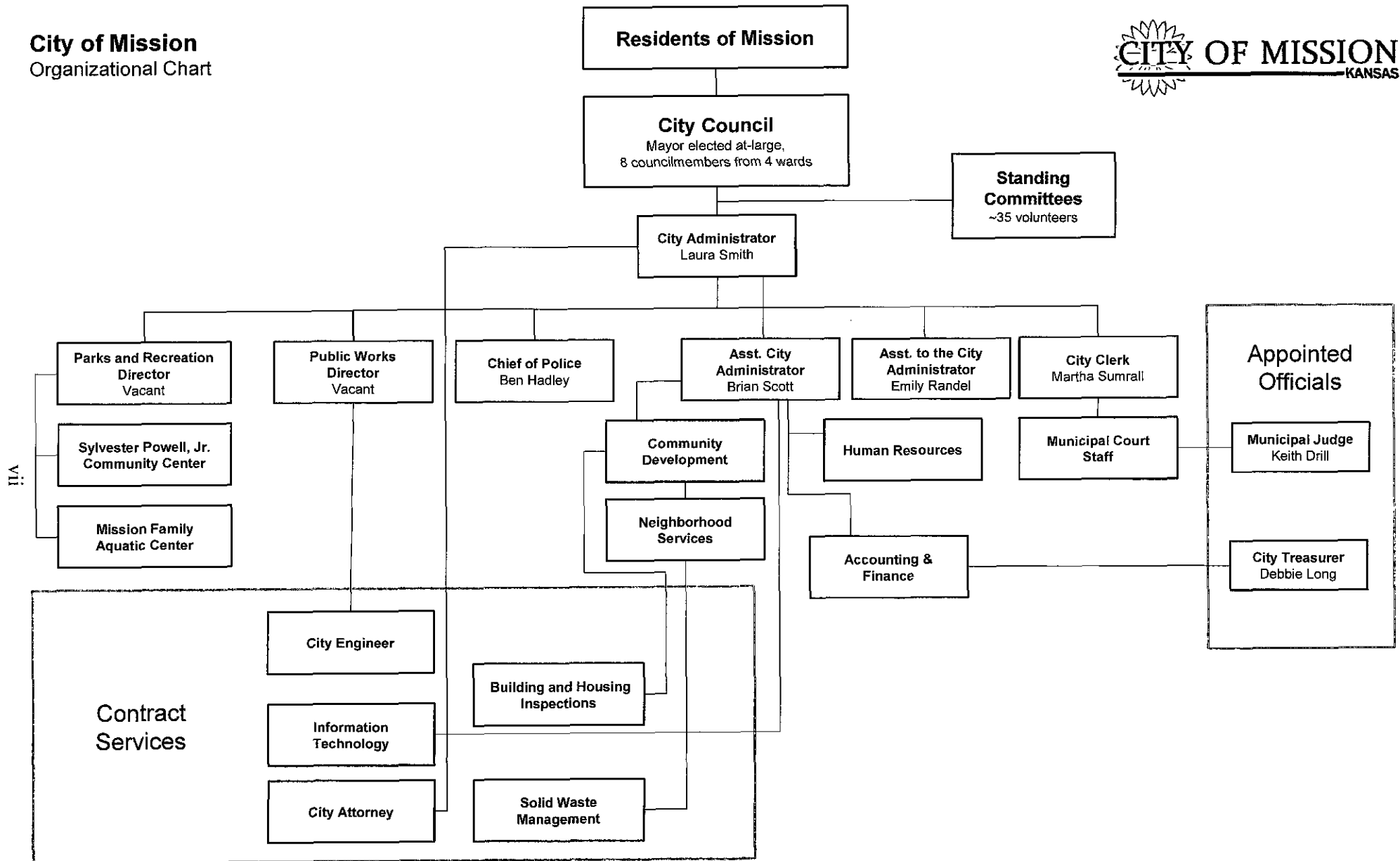
The preparation of this comprehensive annual financial report was made possible by the dedicated services of the staff of the Finance and Administration, Municipal Court, and Parks and Recreation departments. Our sincere appreciation is extended to all members of the staff, whose efforts made this report possible.

Respectfully submitted,



Laura Smith
City Administrator

City of Mission
Organizational Chart



CITY OF MISSION, KANSAS

PRINCIPAL OFFICIALS – 2018

Mayor and City Council

Honorable Ronald E. Appletoft, Mayor
Honorable Pat Quinn – Ward 1
Honorable Hillary Parker Thomas – Ward 1
Honorable Nick Schlossmacher – Ward 2
Honorable Arcie Rothrock – Ward 2
Honorable Kristin Inman – Ward 3
Honorable Debbie Kring – Ward 3
Honorable Ken Davis – Ward 4
Honorable Sollie Flora – Ward 4

Administration

City Administrator: Laura Smith
Assistant City Administrator/Finance Director: Brian Scott
Assistant to the City Administrator: Emily Randel
City Clerk: Martha Sumrall
Treasurer: Deborah Long
Chief of Police: Benjamin Hadley
Public Works Director: vacant
Parks and Recreation Director: vacant

Attorney

David K. Martin



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Mission
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrell

Executive Director/CEO



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

3630 SW Burlingame Road Topeka, Kansas 66611 | t: 785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: blandco CPA.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Mission, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission, Kansas (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2018, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, on January 1, 2018, the City adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Berwick Trahan + Co., P.A.

April 24, 2019
Topeka, Kansas

CITY OF MISSION, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2018

Our discussion and analysis of the City of Mission, Kansas (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2018. This narrative should be read in conjunction with the City's letter of transmittal, which begins on page i.

Financial Highlights

- The government-wide net position totaled \$52.8 million at the end of the current fiscal year.
- Total capital assets, net of accumulated depreciation at December 31, 2018 totaled \$63.6 million.
- During the year ended December 31, 2018, the City's total revenues (which include charges for services, local taxes and state and federal aid) exceeded total expenses by \$2.5 million.
- The City's total general obligation bond indebtedness decreased by \$3.4 million.
- The City's net capital assets decreased \$1.6 million in the current fiscal year.

Using This Financial Report

This annual report consists of government-wide and fund financial statements. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer-term view of the City's finances. The fund financial statements tell how the City's services for the governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds. The City also holds fiduciary funds on behalf of various parties. These funds are reported in a separate statement.

Reporting on the City as a Whole (Government-Wide)

Statement of Net Position and the Statement of Activities

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The statement of net position and the statement of activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's net position and current year change in net position. The change in net position is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

In the statement of net position and the statement of activities, the City has one kind of activity:

Governmental Activities - All of the City's programs and services are reported here including general government, public safety, public works and culture and recreation.

Reporting the City's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds – All of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and how balances left over at fiscal year-end are available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide whether there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the statement of net position and the statement of activities and its governmental funds are reconciled in the governmental funds financial statements.

The City as a Whole

Government-Wide Position

The statement of net position provides the financial position of the City as a whole. The overall financial position of the City increased by 33% in 2018. This is primarily due to prior period adjustments, which are explained in further detail on page 34. The following is a summary of the City's statement of net position as of December 31, 2018 and 2017:

City of Mission Condensed Statement of Net Position

	Governmental Activities	
	<u>2018</u>	<u>2017</u>
Current assets	\$ 24,966,966	\$ 10,877,111
Net capital assets	<u>63,636,822</u>	<u>65,241,032</u>
Total assets	88,603,788	76,118,143
Deferred outflows of resources	<u>942,739</u>	<u>1,013,010</u>
Total assets and deferred outflows of resources	<u>\$ 89,546,527</u>	<u>\$ 77,131,153</u>
Current liabilities	\$ 2,236,205	\$ 669,173
Noncurrent liabilities	<u>30,593,477</u>	<u>33,608,129</u>
Total liabilities	<u>32,829,682</u>	<u>34,277,302</u>
Deferred inflows of resources	<u>3,949,069</u>	<u>3,120,474</u>
Total liabilities and deferred inflows of resources	<u>\$ 36,778,751</u>	<u>\$ 37,397,776</u>
Net position:		
Net investment in capital assets	\$ 41,312,063	\$ 38,141,953
Restricted	486,810	327,129
Unrestricted	<u>10,968,903</u>	<u>1,264,295</u>
Total net position	<u>\$ 52,767,776</u>	<u>\$ 39,733,377</u>

The assets of the City are classified as current assets and capital assets. Cash and investments and accounts receivable are the largest current assets. These are assets that are available to provide resources for the near-term operations of the City. Capital assets are used in the operations of the City. These assets include land, construction in progress, buildings, improvements, infrastructure, and machinery and equipment.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued liabilities, interest payable, municipal court bonds payable and unearned revenue.

The City had \$23.9 million in long-term debt, consisting of general obligation bonds, capital leases, and KDHE loans, of which \$3.6 million is due within the next fiscal year.

The City had total assets and deferred outflows of resources at December 31, 2018, totaling \$89.5 million. The total assets and deferred outflows of resources of the City exceeded the total liabilities and deferred inflows of resources by \$52.8 million. The net position invested in capital assets (net of related debt) totaled \$41.3 million, restricted net position totaled \$0.5 million and unrestricted net position totaled \$11.0 million.

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2018. Major items of program revenues, grants and general revenues are detailed. Government-wide activities and prior period adjustments increased the net position of the City by approximately \$13 million for the year ended December 31, 2018. The prior period adjustments are a result of a) the City's implementation of GASB Statement No. 75 pertaining to accounting of post employment benefits other than pension (OPEB) and b) recognition of future receivables due the City from the establishment of the Rock Creek Special Benefit District in 2015. Detail regarding the prior period adjustments can be found on page 34. A reconciliation of the total change in fund balances for the governmental funds to change in net position of governmental activities in the statement of activities is located at page 17 of the basic financial statements. A major difference between the changes is the repayment of long-term debt of \$3.5 million, which is treated as expenditures in the fund statements, but is treated as a reduction of long-term debt in the government-wide financial statements.

City of Mission
Condensed Statement of Activities
For the Years Ended December 31, 2018 and 2017

	Governmental Activities	
	<u>2018</u>	<u>2017</u>
Revenues:		
Program revenues:		
Charges for service	\$ 6,525,467	\$ 6,649,603
Operating grants and contributions	510,300	1,094,068
General revenues:		
Property taxes	2,780,954	2,597,195
Sales tax	6,756,072	6,380,670
Transient guest tax	61,384	64,160
Motor vehicle tax	243,911	229,186
Franchise tax	1,155,820	1,061,940
Investment earnings	112,216	41,337
Gain on sale of capital assets	-	80,118
Miscellaneous	544,623	274,116
Total revenues	<u>18,690,747</u>	<u>18,472,393</u>
Program expenses:		
General government	4,628,089	3,499,029
Public safety	3,989,831	3,733,032
Public works	3,638,008	3,643,160
Culture and recreation	3,322,745	2,968,348
Interest on long-term debt	613,042	569,058
Total expenses	<u>16,191,715</u>	<u>14,412,627</u>
Increase in net position	<u>2,499,032</u>	<u>4,059,766</u>
Net position - beginning	39,733,377	38,663,294
Prior period adjustments	<u>10,535,367</u>	<u>(2,989,683)</u>
Net position - beginning, restated	<u>50,268,744</u>	<u>35,673,611</u>
Net position - ending	<u><u>\$ 52,767,776</u></u>	<u><u>\$ 39,733,377</u></u>

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources.

Total fund balances at December 31, 2018 for the governmental funds totaled \$10.2 million. Total unassigned fund balances at December 31, 2018 totaled \$4.8 million, all of which was attributable to the General Fund.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5.0 million. Audited numbers for the 2018 fiscal year show an increase in the total fund balance for the General Fund of \$0.7 million or nearly 14% from the previous year. This increase is due to a number of factors including: capital projects that were budgeted, but funds not yet expended nor encumbered, an increase in both property and sales tax revenue, and salary savings recognized through vacant positions that were difficult to fill. The previous year's fund balance saw a much larger increase. This was attributed to assigned funds totaling approximately \$300,000 that have been set aside in the Capital Equipment and Replacement Fund that was created with the 2017 fiscal year and included in the General Fund for audit purposes that year. For the year ending December 31, 2018, the Capital Equipment and Replacement Fund was separated from the General Fund to provide a more accurate picture of the true fund balance for the General Fund.

The Parks and Recreation Sales Tax Bond Fund is used to account for revenues received from a dedicated three-eighths of one percent sales tax for parks and recreation. A portion of the revenues is pledged to retire the 2013B General Obligation bonds issued for the outdoor aquatic facility. The balance is dedicated to other parks and recreation expenses, both capital and operating. The ending fund balance was \$891,257 at December 31, 2018. The City is building-up the fund balance as a reserve to cash-flow improvements that were identified in the recently adopted Parks Master Plan.

The Street Sales Tax fund is used to account for revenues received from a dedicated one half of one percent sales tax for street reconstruction. A portion of the revenues is pledged to retire 2012A General Obligation Bonds issued for the Martway and Johnson Drive improvements. The balance of the revenue is utilized for ongoing street maintenance projects. The ending fund balance was \$455,201 at December 31, 2018. The increase in the fund balance was \$146,998.

The Stormwater Fund is used to account for stormwater charges received based on an equivalent residential unit (ERU) to be used for stormwater improvements city-wide. The ending fund balance was \$1,906,996 at December 31, 2018. The increase in the fund balance of \$1,728,511 was primarily due to back payment of a special assessment from the Rock Creek Special Benefit District. This benefit district was established in 2015 to collect funds for flood control improvements at the site of the Gateway development on the east side of Mission.

The Solid Waste Fund is used to account for solid waste utility charges collected from an annual assessment. The ending fund balance was [\$6,611] at December 31, 2018.

The Capital Improvement Fund is used to account for resources used to construct and maintain infrastructure city-wide. The ending fund balance was \$784,516 at December 31, 2018. The increase in the Capital Improvement Fund's fund balance was \$363,626. The City increased the mill levy rate by seven mills in 2016, which is dedicated to this fund for debt service on the 2013C General Obligation Bonds for the Johnson Drive Improvements, as well as street and transportation network improvements. Improvements to Fox Ridge Drive from 56th Street to 52nd Street were completed in 2018. Improvements to Broadmoor Street from Martway to Johnson Drive are scheduled for 2019. The City utilized funding from the County Assistance Road System fund to cover half of the construction costs for these projects.

General Fund Budgeting Highlights

The City's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The City's final General Fund budget authority for expenditures was \$13,725,994. Total revenues and other financing sources were more than budgetary estimates by \$0.8 million and the expenditures and other financing uses were less than budgetary estimates by \$2.8 million.

Property and sales tax revenues were more than budgeted primarily as a result of conservative estimates. The City has seen a significant increase in assessed property values over the couple of years due to a strong housing market in northeast Johnson County. In addition, use tax was much higher than anticipated due primarily to one company making significant investments in their technology. Revenues in the charges for services (court fees) category were less than budgeted figures due to staffing vacancies in the police department and a decrease in traffic citations processed.

Overall expenditures in the General Fund were below budgeted figures as a result of specific budget control as well as personnel vacancies.

Capital Assets and Debt Administration

The City's capital assets totaled \$63.6 million (net of accumulated depreciation) as of December 31, 2018. The major capital asset events during the current fiscal year included the purchase of a crack-sealing truck for public works, a second water slide for the Mission Family Aquatic Center, fitness equipment for the Sylvester Powell, Jr. Community Center, and a new city-wide phone system and computer network upgrades.

Additional information on the City's capital assets can be found in Notes 1 and 5 of the financial statements.

At December 31, 2018, the City had total general obligation bond principal debt outstanding of \$23.2 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2017, in the amount of \$3.6 million. This was a result of continued repayment of general obligation bonds.

Additional information on the City's general long-term debt can be found in Note 6 to the financial statements.

Contacting the City

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City's Finance and Administration Department at 6090 Woodson, Mission, Kansas 66202.

CITY OF MISSION, KANSAS
STATEMENT OF NET POSITION

December 31, 2018

	Total Governmental Activities
ASSETS	
Cash and investments	\$ 9,596,776
Restricted cash and investments	14,035
Receivables	14,780,390
Land held for resale	100,000
Notes receivable	475,765
Capital assets:	
Capital assets not being depreciated:	
Land	9,108,075
Construction in progress	203,833
Capital assets being depreciated	76,368,936
Less: accumulated depreciation	(22,044,022)
Total assets	<u>88,603,788</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - OPEB	9,884
Deferred outflows - pensions	932,855
Total deferred outflows of resources	<u>942,739</u>
LIABILITIES	
Accounts payable	770,432
Accrued liabilities	1,117,804
Interest payable	223,286
Municipal court bonds payable	14,035
Unearned revenue	110,648
Noncurrent liabilities:	
Due within one year	4,031,422
Due in more than one year	26,562,055
Total liabilities	<u>32,829,682</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - property tax	3,057,051
Deferred inflows - OPEB	567,114
Deferred inflows - pensions	324,904
Total deferred inflows of resources	<u>3,949,069</u>
NET POSITION	
Net investment in capital assets	41,312,063
Restricted for:	
Alcohol awareness programs	110,196
Convention and tourism	69,343
Culture and recreation	81,801
Donations	56,656
Education	17,851
Public safety	27,337
Public works	123,626
Unrestricted	10,968,903
Total net position	<u><u>\$ 52,767,776</u></u>

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS

STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

		Program Revenues		Net Revenue (Expense) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
General government	\$ 4,628,089	\$ 663,702	\$ 13,795	\$ (3,950,592)
Public safety	3,989,831	1,396,353	80,109	(2,513,369)
Public works	3,638,008	2,706,837	416,396	(514,775)
Culture and recreation	3,322,745	1,758,575	-	(1,564,170)
Interest on long-term debt	613,042	-	-	(613,042)
Total governmental activities	<u>\$ 16,191,715</u>	<u>\$ 6,525,467</u>	<u>\$ 510,300</u>	<u>(9,155,948)</u>
General revenues:				
Property tax				2,780,954
Sales tax				6,756,072
Transient guest tax				61,384
Motor vehicle tax				243,911
Franchise tax				1,155,820
Investment earnings				112,216
Miscellaneous				<u>544,623</u>
Total general revenues				<u>11,654,980</u>
Change in net position				<u>2,499,032</u>
Net position, beginning - previously stated				39,733,377
Prior period adjustments				<u>10,535,367</u>
Net position, beginning - restated				<u>50,268,744</u>
Net position, ending				<u>\$ 52,767,776</u>

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2018

	General	Parks and Recreation Sales Tax
Assets:		
Cash and investments	\$ 4,739,082	\$ 751,404
Restricted cash and investments	14,035	-
Receivables:		
Taxes	3,862,444	167,760
Special assessments	-	-
Other	103,140	-
Due from other funds	6,812	-
Land held for resale	100,000	-
Total assets	<u>\$ 8,825,513</u>	<u>\$ 919,164</u>
Liabilities, deferred inflows of resources, and fund balances (deficits):		
Liabilities:		
Accounts payable	\$ 415,336	\$ 27,907
Accrued liabilities	126,639	-
Due to other funds	-	-
Payable from restricted assets:		
Municipal court bonds	14,035	-
Unearned revenue	110,648	-
Total liabilities	<u>666,658</u>	<u>27,907</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	2,815,503	-
Unavailable revenue - special assessments	-	-
Total deferred inflows of resources	<u>2,815,503</u>	<u>-</u>
Fund balances (deficits):		
Restricted	-	-
Committed	129,463	891,257
Assigned	229,000	-
Unassigned	4,984,889	-
Total fund balances (deficits)	<u>5,343,352</u>	<u>891,257</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 8,825,513</u>	<u>\$ 919,164</u>

See accompanying notes to basic financial statements.

Street Sales Tax	Stormwater	Solid Waste	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 343,361	\$ 1,906,996	\$ 42,469	\$ 829,847	\$ 983,617	\$ 9,596,776
-	-	-	-	-	14,035
111,840	-	-	-	277,944	4,419,988
-	10,193,128	-	-	-	10,193,128
-	-	-	-	64,134	167,274
-	-	-	-	-	6,812
-	-	-	-	-	100,000
<u>\$ 455,201</u>	<u>\$ 12,100,124</u>	<u>\$ 42,469</u>	<u>\$ 829,847</u>	<u>\$ 1,325,695</u>	<u>\$ 24,498,013</u>
\$ -	\$ -	\$ 49,080	\$ 45,331	\$ 232,778	\$ 770,432
-	-	-	-	-	126,639
-	-	-	-	6,812	6,812
-	-	-	-	-	14,035
-	-	-	-	-	110,648
<u>-</u>	<u>-</u>	<u>49,080</u>	<u>45,331</u>	<u>239,590</u>	<u>1,028,566</u>
-	-	-	-	241,548	3,057,051
<u>-</u>	<u>10,193,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,193,128</u>
<u>-</u>	<u>10,193,128</u>	<u>-</u>	<u>-</u>	<u>241,548</u>	<u>13,250,179</u>
-	-	-	-	486,810	486,810
455,201	1,906,996	-	784,516	500,904	4,668,337
-	-	-	-	-	229,000
<u>-</u>	<u>-</u>	<u>(6,611)</u>	<u>-</u>	<u>(143,157)</u>	<u>4,835,121</u>
<u>455,201</u>	<u>1,906,996</u>	<u>(6,611)</u>	<u>784,516</u>	<u>844,557</u>	<u>10,219,268</u>
<u>\$ 455,201</u>	<u>\$ 12,100,124</u>	<u>\$ 42,469</u>	<u>\$ 829,847</u>	<u>\$ 1,325,695</u>	<u>\$ 24,498,013</u>

CITY OF MISSION, KANSAS

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

December 31, 2018

Total governmental fund balances		\$ 10,219,268
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
The cost of capital assets is	\$ 85,680,844	
Accumulated depreciation is	<u>(22,044,022)</u>	63,636,822
Other long-term assets are not available to pay for current expenditures and therefore are reported as unavailable in the funds.		10,193,128
Notes receivable in the statement of activities do not provide current financial resources and are not reported in the funds.		475,765
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		932,855
OPEB contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		9,884
Pension fundings are reported as revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		(324,904)
OPEB fundings are reported as revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		(567,114)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds payable	(23,150,000)	
Premium	(323,320)	
Discount	3,250	
Accrued liabilities	(991,165)	
Capital leases payable	(385,142)	
Loan payable	(69,678)	
Interest payable	(223,286)	
Compensated absences payable	(445,525)	
Net pension liability	(5,006,058)	
Net other post employment benefits	<u>(1,217,004)</u>	<u>(31,807,928)</u>
Net position of governmental activities		<u>\$ 52,767,776</u>

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

Year Ended December 31, 2018

	General	Parks and Recreation Sales Tax
Revenues:		
Taxes	\$ 8,869,371	\$ 924,728
Intergovernmental	80,109	-
Licenses and permits	155,469	-
Charges for services	1,761,075	-
Fines and fees	1,406,613	-
Special assessments	-	-
Interest	61,369	8,664
Miscellaneous	389,255	-
Total revenues	12,723,261	933,392
Expenditures:		
Current:		
General government	2,275,151	-
Public safety	3,756,157	-
Public works	1,778,446	-
Culture and recreation	2,632,716	2,885
Capital outlay	244,140	404,871
Debt service:		
Principal	258,835	445,000
Interest and other charges	15,113	86,100
Total expenditures	10,960,558	938,856
Excess (deficiency) of revenues over (under) expenditures	1,762,703	(5,464)
Other financing sources (uses):		
Transfers in	-	-
Transfers out	(1,114,892)	-
Capital leases	-	-
Sale of general capital assets	2,968	-
Total other financing sources (uses)	(1,111,924)	-
Net change in fund balances	650,779	(5,464)
Fund balances, beginning	4,692,573	896,721
Fund balances, ending	\$ 5,343,352	\$ 891,257

See accompanying notes to basic financial statements.

Street Sales Tax	Stormwater	Solid Waste	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 616,486	\$ -	\$ -	\$ -	\$ 587,556	\$ 10,998,141
-	-	-	-	416,396	496,505
-	-	-	-	-	155,469
-	2,706,837	498,933	-	6,799	4,973,644
-	-	-	-	122	1,406,735
-	1,498,990	-	-	-	1,498,990
2,827	22,760	2,152	10,309	4,135	112,216
-	-	2,637	64,359	113,667	569,918
619,313	4,228,587	503,722	74,668	1,128,675	20,211,618
-	-	593,154	-	717,305	3,585,610
-	-	-	-	-	3,756,157
-	3,389	-	-	225,643	2,007,478
-	-	-	-	2,357	2,637,958
-	-	-	240,680	210,000	1,099,691
435,000	1,769,660	-	580,000	67,595	3,556,090
37,315	539,808	-	70,473	3,029	751,838
472,315	2,312,857	593,154	891,153	1,225,929	17,394,822
146,998	1,915,730	(89,432)	(816,485)	(97,254)	2,816,796
-	88,000	110,000	1,180,111	100,000	1,478,111
-	(275,219)	-	-	(88,000)	(1,478,111)
-	-	-	-	210,000	210,000
-	-	-	-	24,500	27,468
-	(187,219)	110,000	1,180,111	246,500	237,468
146,998	1,728,511	20,568	363,626	149,246	3,054,264
308,203	178,485	(27,179)	420,890	695,311	7,165,004
\$ 455,201	\$ 1,906,996	\$ (6,611)	\$ 784,516	\$ 844,557	\$ 10,219,268

CITY OF MISSION, KANSAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES WITH THE
STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

Total net change in fund balances - governmental funds		\$	3,054,264
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. For governmental activities, however, those costs are shown in the statement of net position and allocated over their estimated useful lives as depreciation expense in the statement of activities.			
Capital outlays	\$	1,099,691	
Depreciation expense		<u>(2,204,513)</u>	(1,104,822)
The net effect of various miscellaneous transactions involving capital assets (e.g. sales and donations) is to decrease net position.			(499,388)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			(1,538,475)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and, thus, requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.			27,123
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Accrued liabilities		(991,165)	
Compensated absences		15,671	
OPEB		<u>25,606</u>	(949,888)
Pension payments are reported as expenditures in the governmental funds and do not affect the statement of activities.			34,852
Repayments of long-term debt instruments are expenditures in the governmental funds, but reduce long-term liabilities in the statement of net position and do not affect the statement of activities.			
Bond principal		3,401,673	
Capital leases		69,032	
Loan principal		<u>4,661</u>	3,475,366
Change in net position of governmental activities			<u>\$ 2,499,032</u>

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 8,129,494	\$ 8,869,371	\$ 739,877
Intergovernmental	70,000	80,109	10,109
Licenses and permits	153,300	155,469	2,169
Charges for services	2,295,625	1,761,075	(534,550)
Fines and fees	1,235,500	1,406,613	171,113
Interest	5,000	61,369	56,369
Miscellaneous	20,000	389,255	369,255
Total revenues	11,908,919	12,723,261	814,342
Expenditures:			
General government:			
Personal service	1,139,221	1,057,950	81,271
Contractual	729,550	1,101,898	(372,348)
Commodities	51,215	115,303	(64,088)
Capital outlay	32,000	155,968	(123,968)
Total general government	1,951,986	2,431,119	(479,133)
Public safety:			
Personal service	3,259,408	3,260,873	(1,465)
Contractual	459,175	381,435	77,740
Commodities	151,950	113,849	38,101
Capital outlay	47,500	34,062	13,438
Total public safety	3,918,033	3,790,219	127,814
Public works:			
Personal service	846,700	774,696	72,004
Contractual	894,300	843,603	50,697
Commodities	163,850	160,147	3,703
Capital outlay	67,500	54,110	13,390
Total public works	1,972,350	1,832,556	139,794
Culture and recreation			
Personal service	1,612,000	1,574,870	37,130
Contractual	812,950	905,172	(92,222)
Commodities	145,500	152,674	(7,174)
Capital outlay	7,000	-	7,000
Total culture and recreation	2,577,450	2,632,716	(55,266)
Debt service	278,325	273,948	4,377
Contingency	3,027,850	-	3,027,850
Total expenditures	13,725,994	10,960,558	2,765,436
Excess (deficiency) of revenues over (under) expenditures	\$ (1,817,075)	\$ 1,762,703	\$ 3,579,778

(Continued)

CITY OF MISSION, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND
(Continued)

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Other financing sources (uses)			
Transfers out	\$ (1,110,000)	\$ (1,114,892)	\$ (4,892)
Sale of general capital assets	-	2,968	2,968
Total other financing sources (uses)	(1,110,000)	(1,111,924)	(1,924)
Net change in fund balance	(2,927,075)	650,779	3,577,854
Fund balance, beginning of year	2,927,075	4,692,573	1,765,498
Fund balance, end of year	\$ -	\$ 5,343,352	\$ 5,343,352

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
PARKS AND RECREATION SALES TAX FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 875,000	\$ 924,728	\$ 49,728
Interest	-	8,664	8,664
Total revenues	875,000	933,392	58,392
Expenditures:			
Culture and recreation	-	2,885	(2,885)
Capital outlay	400,000	404,871	(4,871)
Debt service	531,100	531,100	-
Contingency	405,000	-	405,000
Total expenditures	1,336,100	938,856	397,244
Net change in fund balance	(461,100)	(5,464)	455,636
Fund balance, beginning	478,072	896,721	418,649
Fund balance, ending	\$ 16,972	\$ 891,257	\$ 874,285

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
STORMWATER FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 2,535,000	\$ 2,706,837	\$ 171,837
Special assessments	-	1,498,990	1,498,990
Interest	-	22,760	22,760
Total revenues	2,535,000	4,228,587	1,693,587
Expenditures:			
Public works	310,000	3,389	306,611
Debt service	2,309,473	2,309,468	5
Total expenditures	2,619,473	2,312,857	306,616
Excess (deficiency) of revenues over (under) expenditures	(84,473)	1,915,730	2,000,203
Other financing sources (uses):			
Transfers in	88,000	88,000	-
Transfers out	(275,220)	(275,219)	1
Total other financing sources (uses)	(187,220)	(187,219)	1
Net change in fund balance	(271,693)	1,728,511	2,000,204
Fund balance, beginning	330,252	178,485	(151,767)
Fund balance, ending	\$ 58,559	\$ 1,906,996	\$ 1,848,437

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
SOLID WASTE FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 508,000	\$ 498,933	\$ (9,067)
Interest	100	2,152	2,052
Miscellaneous	-	2,637	2,637
Total revenues	508,100	503,722	(4,378)
Expenditures:			
General government	588,600	593,154	(4,554)
Contingency	25,000	-	25,000
Total expenditures	613,600	593,154	20,446
Deficiency of revenues under expenditures	(105,500)	(89,432)	16,068
Other financing sources:			
Transfers in	110,000	110,000	-
Net change in fund balance	4,500	20,568	16,068
Fund balance, beginning	667	(27,179)	(27,846)
Fund balance, ending	\$ 5,167	\$ (6,611)	\$ (11,778)

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS

December 31, 2018

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	<u>\$ 65,327</u>
Liabilities:	
Due to others	<u>\$ 65,327</u>

See accompanying notes to basic financial statements.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Mission, Kansas (the City) is a city of the second class with a mayor-council form of government with the addition of a city administrator. The City was incorporated in 1951 and covers an area of approximately 2.87 square miles in Johnson County, Kansas. The City has approximately 9,323 residents. The City's organization consists of the general government, which is made up of the general overhead, legislative, administration, and community development departments; public safety, which is made up of the municipal court and police departments; the public works department; and culture and recreation, which is made up of the Mission Family Aquatic Center and Mission Sylvester Powell, Jr. Community Center departments.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Rock Creek Drainage District #1 and Rock Creek Drainage District #2 (the Districts) are blended component units of the City. The City created the Districts to generate revenue for stormwater projects. Each year, the Districts transfer funds primarily to the City's stormwater fund. The Districts are legally separate entities from the City. However, the City Council makes up the entirety of the Districts' boards. As such, the City can impose its will on the Districts. Additionally, the City's management manages the activities of the Districts in essentially the same manner as they manage City activities. Separately issued financial statements are not prepared for the Districts.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All nonfiduciary activities of the City are governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to use in meeting the operational or capital requirements of a particular function. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is considered to be a separate accounting entity, accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures. Governmental resources are allocated to and accounted for within individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, sales taxes, utility franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by unavailable revenue accounts.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds are reported using the accrual basis of accounting.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Parks and Recreation Sales Tax Fund* is used to account for revenues received from 3/8 of one percent sales tax for parks and recreation, with a portion pledged to retire the Series 2013-B General Obligation Bonds issued for the outdoor aquatic facility project. The balance is dedicated to other parks and recreation activities, including operating costs. The sales tax sunsets in 2023.

The *Street Sales Tax Fund* is a capital project fund used to account for revenues from the 1/4 cent sales tax for streets, pledged to retire the Series 2012-A General Obligation Bonds issued for the Martway/Johnson Drive rehabilitation projects. The additional revenue may be used for street improvements. The sales tax sunsets in 2022.

The *Stormwater Fund* is used to account for storm water utility charges received based on an equivalent residential unit (ERU) to be used for storm water improvements citywide, including public works expenditures. Revenues are either restricted or committed for this purpose.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Solid Waste Fund* is used to account for solid waste utility charges collected from an annual assessment to cover general government expenditures, including contract and supply costs. Revenues are either restricted or committed for this purpose.

The *Capital Improvement Fund* is used to account for resources used to construct and maintain infrastructure citywide.

Additionally, the City reports the following fiduciary fund type:

Agency funds are used to report resources held by the City in a purely custodial capacity. The City uses agency funds to account for amounts collected through the court for driver's license reinstatement fees due to the State of Kansas, for amounts collected and paid for Driving Under the Influence evaluations, and for amounts collected for employee cafeteria plan contributions.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

The City's cash and investments are considered to be demand deposits and cash held by the State of Kansas Municipal Investment Pool. The City considers all highly liquid, short-term investments with original maturities of 90 days or less to be cash equivalents.

Investments are reported in the accompanying financial statements at fair value.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Receivables and Payables

Receivables are reported on the government-wide financial statements net of an allowance for uncollectible accounts. At December 31, 2018, an allowance for uncollectible receivables of approximately \$ 610,000 has been recorded.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property tax receivables are not available as a resource that can be used to finance the current year operations of the City and, therefore, are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred inflows and are identical to the adopted budget for 2019.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the accounting period, and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuation on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the City, is on or before January 20 of the ensuing year. Additional amounts are distributed on four subsequent dates throughout the calendar year.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include land, buildings, improvements, equipment, infrastructure assets, and construction in progress, are reported in the government-wide financial statements as assets. Capital assets are defined by the City as assets with an initial, individual cost of more than \$ 1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Category</u>	<u>Years</u>
Buildings	20 - 75
Building improvements	20 - 75
Machinery and equipment	5 - 10
Office equipment	5 - 10
Infrastructure	20 - 75
Fitness equipment	3

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 8 and 9 for more information on the deferred outflows for the other post-employment benefits (OPEB) and pension plans, respectively.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. One item, *unavailable revenue/deferred receivables*, is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds and governmental activities report unavailable revenues/deferred receivables from property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are deferred inflows for the OPEB and pension plans. See Notes 8 and 9 for more information on the deferred inflows for the OPEB and pension plans, respectively.

Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. At the end of each calendar year, employees are allowed to carry over any unused vacation and sick leave. In the event of termination, an employee is paid for any unused carryover plus all unused earned vacation through the date of separation not to exceed a total of 240 hours.

The City's sick leave policy is to pay employees 50% of unused sick leave upon retirement or termination without cause. A liability for compensated absences is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements. All compensated absences are accrued when incurred in the government-wide financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2018, fund balances for governmental funds are made up of the following:

Nonspendable fund balances include amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

Committed fund balances include amounts that can only be used for specific purposes determined by a formal action, an ordinance, of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action, an ordinance, that originally imposed the constraint.

Assigned fund balances include amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by an action of (1) the City Council or (2) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The authority for management to assign fund balance is presented in the City Council Policy Manual. An additional action does not have to be taken for the removal of an assignment.

Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in other classifications. The General Fund is the only fund that can report a positive unassigned fund balance amount. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

It is the fund balance policy of the City to budget an amount in the General Fund reserves equal to 25% of budgeted General Fund revenues for that same budget year.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1 - Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds						Other Governmental Funds	Total Governmental Funds
	General	Parks and Recreation Sales Tax	Street Sales Tax	Stormwater	Solid Waste	Capital Improvement		
Fund balances:								
Restricted for:								
Alcohol awareness programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,196	\$ 110,196
Convention and tourism	-	-	-	-	-	-	69,343	69,343
Culture and recreation	-	-	-	-	-	-	81,801	81,801
Donations	-	-	-	-	-	-	56,656	56,656
Education	-	-	-	-	-	-	17,851	17,851
Public safety	-	-	-	-	-	-	27,337	27,337
Public works	-	-	-	-	-	-	123,626	123,626
Committed for:								
ADA compliance	129,463	-	-	-	-	-	-	129,463
Capital improvements	-	-	-	-	-	784,516	-	784,516
Culture and recreation	-	891,257	-	-	-	-	-	891,257
Development projects	-	-	-	-	-	-	6,033	6,033
Equipment reserve and replacement	-	-	-	-	-	-	447,091	447,091
Public works	-	-	455,201	1,906,996	-	-	47,780	2,409,977
Assigned for:								
Financial software and computer upgrades	209,000	-	-	-	-	-	-	209,000
Phone system and cameras	20,000	-	-	-	-	-	-	20,000
Unassigned	4,984,889	-	-	-	(6,611)	-	(143,157)	4,835,121
Total fund balances	<u>\$ 5,343,352</u>	<u>\$ 891,257</u>	<u>\$ 455,201</u>	<u>\$ 1,906,996</u>	<u>\$ (6,611)</u>	<u>\$ 784,516</u>	<u>\$ 844,557</u>	<u>\$ 10,219,268</u>

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Net Position

In the government-wide financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Prior Period Adjustments

Beginning net position on the statement of activities was restated to account for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. The effect of this restatement on the beginning net position was a decrease of \$ 1,156,751, which resulted from the OPEB liability being increased by \$ 1,156,064, and the related deferred inflow of resources being increased by \$ 687. There was no effect on current year revenues or expenses as a result of this adjustment.

Beginning net position on the statement of activities was also restated to account for special assessments receivable by the City. The effect of this restatement on the beginning net position was an increase of \$ 11,692,118, which resulted from the special assessment receivable being increased by \$ 11,692,118. There was no effect on current year revenues or expenses as a result of this adjustment.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Pending Governmental Accounting Standards Board Statements

At December 31, 2018, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 84, *Fiduciary Activities*, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities, with the focus of the criteria on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund. The requirements of this statement are effective for periods beginning after December 15, 2018.

GASB Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for periods beginning after December 15, 2019.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement*, issued March 2018, clarifies which liabilities governments should include in their note disclosures related to debt. This Statement defines debt that must be disclosed in the notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Governments must also disclose amounts of unused lines of credit, assets pledged as collateral for debt and the terms specified in debt agreements related to significant events of default with finance-related consequences, termination events with finance-related consequences, and subjective acceleration clauses. Within the notes, governments should separate information regarding direct borrowing and direct placements of debt from other debt. The requirements of this statement are effective for periods beginning after June 15, 2018.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

2 - Stewardship, Compliance and Accountability

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund and special revenues funds (unless specifically exempted by statute). The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of the notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. The 2018 budget was amended for the Mission Convention and Visitors Bureau Fund.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbered appropriations are carried forward.

A legal operating budget is not required for the Special Law Enforcement Fund, School District Sales Tax Fund, Donations and Gifts Fund, Transportation Utility Fund, Mission Farm and Flower Market Fund, and the fiduciary funds.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

2 - Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

In fiscal year 2018, actual expenditures exceeded budget expenditures in the Special Parks and Recreation Fund, Mission Crossing TIF Fund, and the Cornerstone Commons CID Fund, which is a violation of K.S.A. 79-2935.

Spending in funds that are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Deficit Fund Balances

The Solid Waste Fund had a deficit fund balance of \$ 6,611 at December 31, 2018 that will be recovered from future charges for services.

The Mission Crossing TIF Fund had a deficit fund balance of \$ 142,816 at December 31, 2018 that will be recovered from future tax revenues.

The Mission Farm and Flower Market Fund had a deficit fund balance of \$ 341 at December 31, 2018 that will be recovered from future charges for services.

3 - Deposits and Investments

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. The City's deposit policy for custodial credit risk requires that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to K.S.A. 9-1402.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3 - Deposits and Investments (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits (Continued)

The City's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county or an adjoining county in which the City is located and the banks provide an acceptable rate for active funds.

Investments

On December 31, 2018, the City had the following investment and related maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Maturity</u> <u>(in Years)</u>
			<u>Less than One</u>
Kansas Municipal Investment Pool	<u>\$ 8,087,481</u>	Not rated	<u>\$ 8,087,481</u>

Credit Risk

Various City investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes or the Kansas Municipal Investment Pool (KMIP). The City's investments in the KMIP were not rated by a rating agency as of December 31, 2018. Maturities of the above investments may not exceed two years by statute.

The KMIP is under the oversight of the Pooled Money Investment Board (PMIB). The PMIB is comprised of the State Treasurer and four additional members appointed by the State Governor. The PMIB reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

3 - Deposits and Investments (Continued)

Investments (Continued)

Credit Risk (Continued)

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP; direct obligations of the United States government or any agency thereof; investment agreements with a financial institution, the obligations of which, at the time of investment, are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poor's Corporation; and various other investments as specified in K.S.A. 10-131.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City is not exposed to significant interest rate risk.

Concentrations of Credit Risk

State statutes and the City place no limit on the amount the City may invest in any one issuer.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2018, the City's investments were not exposed to custodial credit risk.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

3 - Deposits and Investments (Continued)

Investments (Continued)

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the year ended December 31, 2018, the City's investment in KMIP was considered a cash equivalent as all investments were held in the overnight pool. Investments that are considered cash equivalents are not classified in the fair value hierarchy.

4 - Notes Receivable and Land Held for Resale

In April 2007, the City signed promissory notes to finance both a borrower's acquisition of a building and other improvements in the amount of \$534,692 as well as the borrower's remodeling of the building and other improvements for business operations in the amount of \$267,882, with both loans over a term of 21 years at 5.00% per annum. During the fiscal year ending December 31, 2018, the City received \$ 39,485 in principal and interest payments towards the loans. As of December 31, 2018, the City had outstanding notes receivable of \$ 475,765.

In August 2006, the City entered into an agreement leasing land to a lessee for a maximum term of 21 years for rent of \$ 10 per year with the option for the lessee to purchase the land on or before the end of the lease term for \$ 100,000 as adjusted by using the consumer price index. As of December 31, 2018, the land's net realizable value was \$ 100,000.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

5 - Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,108,075	\$ -	\$ -	\$ 9,108,075
Construction in progress	1,345,837	120,912	1,262,916	203,833
Total capital assets not being depreciated	10,453,912	120,912	1,262,916	9,311,908
Capital assets being depreciated:				
Buildings	13,055,744	-	-	13,055,744
Improvements	140,635	-	-	140,635
Infrastructure	55,699,930	1,368,981	-	57,068,911
Machinery and equipment	5,972,515	415,635	284,504	6,103,646
Total capital assets being depreciated	74,868,824	1,784,616	284,504	76,368,936
Less accumulated depreciation for:				
Buildings	4,078,845	288,044	-	4,366,889
Improvements	94,344	7,352	-	101,696
Infrastructure	11,370,434	1,428,787	-	12,799,221
Machinery and equipment	4,538,081	480,330	242,195	4,776,216
Total accumulated depreciation	20,081,704	2,204,513	242,195	22,044,022
Governmental activities capital assets, net	\$ 65,241,032	\$ (298,985)	\$ 1,305,225	\$ 63,636,822

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 49,381
Public safety	166,679
Public works	1,530,531
Culture and recreation	457,922
Total depreciation expense	<u>\$ 2,204,513</u>

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

6 - Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects.

General obligation bonds payable at December 31, 2018 are comprised of the following issues:

	Interest Rates	Original Issue	Final Maturity Date	Principal Payments During 2018	Outstanding December 31, 2018
General obligation bonds:					
Series 2007A - Capital Improvement	5.00% - 5.30%	\$ 750,000	09/01/18	\$ 95,000	\$ -
Series 2014B - Refunding	2.00% - 4.60%	4,035,000	09/01/18	255,000	-
Series 2010A - Capital Improvement	2.75%	3,305,000	09/01/20	340,000	705,000
Series 2010B - Refunding	4.00% - 4.25%	6,945,000	09/01/29	-	6,945,000
Series 2012A - Capital Improvement	1.50% - 2.00%	4,360,000	09/01/22	435,000	1,805,000
Series 2013A - Capital Improvement	2.00% - 3.00%	680,000	09/01/23	65,000	360,000
Series 2013B - Capital Improvement	3.00%	4,510,000	09/01/23	445,000	2,425,000
Series 2013C - Capital Improvement	2.00% - 2.50%	4,480,000	09/01/23	485,000	2,585,000
Series 2014A - Refunding	2.00% - 3.00%	9,795,000	09/01/29	1,170,000	8,325,000
				<u>\$ 3,290,000</u>	<u>\$ 23,150,000</u>

Call provisions at the option of the City included in the above bonds are as follows:

Series 2010A: Callable September 1, 2017 at par plus accrued interest
Series 2010B: Callable September 1, 2020 at par plus accrued interest
Series 2012A: Callable September 1, 2020 at par plus accrued interest
Series 2013A: Callable September 1, 2021 at par plus accrued interest
Series 2013B: Callable September 1, 2021 at par plus accrued interest
Series 2013C: Callable September 1, 2019 at par plus accrued interest
Series 2014A: Callable September 1, 2022 at par plus accrued interest

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

6 - Long-Term Debt (Continued)

General Obligation Bonds (Continued)

The installment ranges for the general obligation bonds are as follows:

	Installment Range	
	Low	High
General obligation bonds:		
Series 2010A - Capital Improvement	\$ 350,000	\$ 355,000
Series 2010B - Refunding	345,000	1,125,000
Series 2012A - Capital Improvement	440,000	465,000
Series 2013A - Capital Improvement	70,000	75,000
Series 2013B - Capital Improvement	455,000	515,000
Series 2013C - Capital Improvement	495,000	545,000
Series 2014A - Refunding	395,000	1,545,000

Annual debt service requirements through maturity for general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest
2019	\$ 3,355,000	\$ 663,780
2020	3,425,000	592,605
2021	3,510,000	504,050
2022	3,615,000	407,557
2023	2,520,000	304,769
2024 - 2028	5,905,000	712,531
2029 - 2031	820,000	29,100
Total	<u>\$ 23,150,000</u>	<u>\$ 3,214,392</u>

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

6 - Long-Term Debt (Continued)

Kansas Department of Health and Environment Loan Payable

The Kansas Department of Health and Environment (KDHE) and the City entered into an agreement for a loan. As of December 31, 2018, the City had made \$ 406,272 in loan draws and had \$ 304,704 in principal forgiveness. The loan calls for an interest rate of 2.60%.

Annual debt service requirements to maturity for the KDHE loan outstanding at December 31, 2018 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 4,782	\$ 1,780
2020	4,907	1,655
2021	5,036	1,526
2022	5,167	1,395
2023	5,303	1,138
2024 - 2028	28,669	4,212
2029 - 2033	15,814	672
Total	<u>\$ 69,678</u>	<u>\$ 12,378</u>

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

6 - Long-Term Debt (Continued)

Change in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018 was as follows:

	Balance December 31, 2017	Prior Period Adjustment	Additions	Reductions	Balance December 31, 2018	Current Portion
Governmental activities:						
Bonds payable:						
General obligation bonds	\$ 26,440,000	\$ -	\$ -	\$ 3,290,000	\$ 23,150,000	\$ 3,355,000
Premium	435,806	-	-	112,486	323,320	49,990
Discount	(4,063)	-	-	(813)	(3,250)	(813)
Total bonds payable	26,871,743	-	-	3,401,673	23,470,070	3,404,177
Capital leases payable	454,174	-	210,000	279,032	385,142	176,938
KDHE loan payable	74,339	-	-	4,661	69,678	4,782
Compensated absences	461,196	-	347,409	363,080	445,525	445,525
Total other postemployment benefits liability	643,089	1,156,064	139,291	721,440	1,217,004	-
Net pension liability	5,103,588	-	-	97,530	5,006,058	-
Governmental activities long-term liabilities	<u>\$ 33,608,129</u>	<u>\$ 1,156,064</u>	<u>\$ 696,700</u>	<u>\$ 4,867,416</u>	<u>\$ 30,593,477</u>	<u>\$ 4,031,422</u>

For the governmental activities, compensated absences, the total other post-employment benefit liability, and the net pension liability are generally liquidated by the General Fund.

Conduit Debt Obligations

The City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2018, there were six series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$ 267,007,757.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

7 - Capital Leases

The City has entered into lease agreements as a lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

During 2018, a new lease agreement was entered into by the City to acquire various pieces of exercise equipment for the Community Center.

The assets acquired through these capital leases are as follows:

Assets:

Police vehicles	\$ 524,903
Exercise equipment	201,467
Street sweeper	<u>221,260</u>
Total assets	947,630
Less accumulated depreciation	<u>(503,027)</u>
Net book value	<u><u>\$ 444,603</u></u>

Future minimum lease payments for capital leases as of December 31, 2018 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2019	\$ 176,938	\$ 6,193	\$ 183,131
2020	151,595	3,080	154,675
2021	<u>56,609</u>	<u>621</u>	<u>57,230</u>
Total	<u><u>\$ 385,142</u></u>	<u><u>\$ 9,894</u></u>	<u><u>\$ 395,036</u></u>

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Other Postemployment Healthcare Benefits

Health Insurance

Plan Description, Benefits Provided and Contributions. The City offers postemployment health, dental and vision insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. The other postemployment benefit (OPEB) plan (the Plan) provides medical benefits to eligible early retirees and their spouses. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The Plan does not issue a standalone financial report.

Changes and items of impact relative to the Plan during the year were as follows.

1. Wellness premium reductions were no longer available for the medical plans.
2. Contribution rates were updated to 2018 and 2019 rates for beginning of year and end of year valuations, respectively.

Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2018 totaled \$ 42,597.

Employees Covered by Benefit Terms. As of the actuarial valuation date of January 1, 2018, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	4
Active plan members currently eligible	6
Active employees not yet fully eligible	<u>54</u>
	<u><u>64</u></u>

Total OPEB Liability

The City's total OPEB liability of \$ 1,184,530 was measured as of December 31, 2018 and was determined by an actuarial valuation performed as of January 1, 2018 updated to December 31, 2018 for year-end measurements.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Other Postemployment Healthcare Benefits (Continued)

Health Insurance (Continued)

Actuarial Assumptions and Other Inputs. The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate as of measurement date	3.64 percent
Discount rate for OPEB expense	3.16 percent
Mortality table	RPH-2006 Total Dataset Mortality Table with generational projection according to Scale MP-2018
Salary scale	3.00 percent as selected by the City
Plan participation rate	70.00 percent
Healthcare cost trend rates	
Current rate	7.00 percent
Ultimate rate	5.00 percent
Year ultimate rate is reached	2028
Actuarial cost method	Entry Age Normal - Level Pay

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of the measurement date.

The actuarial assumptions were based on the results of the most recent actuarial experience study, which covered the three-year period of January 1, 2013 through December 31, 2015. The experience study report is dated November 18, 2016.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Other Postemployment Healthcare Benefits (Continued)

Health Insurance (Continued)

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was updated to be in accordance with GASB 75.
2. Claims costs were updated to reflect the 2018 fully-insured premium rates.
3. Aging factors were adjusted based on recent research by Lockton.
4. Mortality projection scales were updated based on recent research by the Society of Actuaries.
5. Medical and vision trend rates were updated to reflect current expectations for future experience.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2017	\$ 1,767,137
Changes for the year:	
Service cost	71,671
Interest	57,439
Differences between expected and actual experience	(610,943)
Changes in assumptions or other inputs	(58,177)
Benefit payments	(42,597)
Net changes	(582,607)
Balance at December 31, 2018	\$ 1,184,530

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current discount rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total OPEB liability	\$ 1,301,807	\$ 1,184,530	\$ 1,081,098

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Other Postemployment Healthcare Benefits (Continued)

Health Insurance (Continued)

Changes in the Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 1,061,689	\$ 1,184,530	\$ 1,327,231

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$ 17,776.

At December 31, 2018, the City reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ (509,289)
Changes in assumptions or other inputs	(48,497)
	<u>\$ (557,786)</u>

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Other Postemployment Healthcare Benefits (Continued)

Health Insurance (Continued)

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2019	\$ (111,334)
2020	(111,334)
2021	(111,334)
2022	(111,334)
2023	(111,334)
2024 and Thereafter	(1,116)
	<u>\$ (557,786)</u>

Disability Benefits and Life Insurance

Plan Description, Benefits Provided and Contributions. The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2018 totaled \$ 20,782.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Other Postemployment Healthcare Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

Plan Description, Benefits Provided and Contributions (Continued)

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms. As of the valuation date of December 31, 2017, the following employees were covered by the benefit terms.

Active plan members

38

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Other Postemployment Healthcare Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

Total OPEB Liability

The City's total OPEB liability of \$ 32,474 was measured as of June 30, 2018 and was determined by an actuarial valuation performed as of December 31, 2017.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.87 percent
Implicit inflation rate	2.75 percent
Mortality rates	Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2018.
Salary increases	3.50 percent (composed of 2.75% inflation and 0.75 percent productivity)
Payroll growth	3.00 percent
Actuarial cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the period July 1, 2014 through June 30, 2016.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was updated in accordance with the requirements of GASB 75.
2. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Other Postemployment Healthcare Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

Total OPEB Liability (Continued)

The overall impact of the new assumptions is a decrease in the benefit obligations.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2017	\$ 32,016
Changes for the year:	
Service cost	8,723
Interest	1,458
Effect of economic/demographic gains or losses	(9,371)
Effect of assumptions changes or inputs	(352)
Net changes	458
Balance at December 31, 2018	\$ 32,474

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 33,599	\$ 32,474	\$ 31,221

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Other Postemployment Healthcare Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

Changes in the Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 32,474	\$ 32,474	\$ 32,474

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense of \$ 9,099. At December 31, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (8,404)
Changes of assumptions	-	(924)
Benefit payments subsequent to the measurement date	9,884	-
	<u>\$ 9,884</u>	<u>\$ (9,328)</u>

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Other Postemployment Healthcare Benefits (Continued)

Disability Benefits and Life Insurance (Continued)

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB (Continued)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$ 9,884 consists of payments made to KPERS for benefits and administrative costs and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2019	\$ (1,082)
2020	(1,082)
2021	(1,082)
2022	(1,082)
2023	(1,082)
2024 and Thereafter	<u>(3,918)</u>
	<u>\$ (9,328)</u>

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Defined Benefit Pension Plan

General Information About the Pension Plan

Description of Pension Plan

The City participates in a cost-sharing, multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which include:
 - State/school employees
 - Local employees
- Police and firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in both the Local and Police and Firemen employee groups.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits Provided

KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement, a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members, and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 members is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Defined Benefit Pension Plan (Continued)

General Information About the Pension Plan (Continued)

Contributions (Continued)

State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2018.

The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate were 8.39% for KPERS and 20.09% for KP&F for the year ended December 31, 2018. Contributions to the Pension Plan from the City were \$ 199,116 for KPERS and \$ 373,428 for KP&F for the year ended December 31, 2018.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the City reported a liability of \$ 1,685,259 for KPERS and \$ 3,320,799 for KP&F for its proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2018, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Although KPERS administers one cost-sharing, multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the Local group and Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2018.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the City's proportion for KPERS was 0.120912%, which was an increase of .001769% from its proportion measured as of June 30, 2017. At June 30, 2018, the City's proportion for KP&F was 0.345125%, which was a decrease of .015068% from its proportion measured as of June 30, 2017.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

9 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2018, the City recognized pension expense of \$ 113,337 for KPERS and \$ 407,827 for KP&F. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
KPERS		
Differences between expected and actual experience	\$ 6,085	\$ 47,753
Net difference between projected and actual earnings on pension plan investments	39,424	-
Changes of assumptions	72,979	8,116
Changes in proportionate share	19,727	54,942
City contributions subsequent to measurement date	94,760	-
Total KPERS	<u>232,975</u>	<u>110,811</u>
KP&F		
Differences between expected and actual experience	202,910	15,342
Net difference between projected and actual earnings on pension plan investments	86,424	-
Changes of assumptions	174,871	9,166
Changes in proportionate share	45,200	189,585
City contributions subsequent to measurement date	190,475	-
Total KP&F	<u>699,880</u>	<u>214,093</u>
Total	<u>\$ 932,855</u>	<u>\$ 324,904</u>

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$ 285,235 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
KPERs	
2019	\$ 33,345
2020	17,700
2021	(26,115)
2022	1,777
2023	697
Total KPERs	<u>27,404</u>
KP&F	
2019	172,075
2020	93,758
2021	13,392
2022	16,409
2023	(322)
Total KP&F	<u>295,312</u>
	<u><u>\$ 322,716</u></u>

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liability for KPERS in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Salary increases, including price inflation	3.50 to 12.00 percent
Long-term rate of return, net of investment expense, and including price inflation	7.75 percent

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study, which covered the three-year period of January 1, 2013 through December 31, 2015. The experience study is dated November 18, 2016.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47.00%	6.85%
Fixed income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Private Equity	8.00%	9.85%
Cash Equivalents	2.00%	-0.25%
Total	100.00%	

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate

The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's KPERS proportionate share of the collective net pension liability	\$ 2,471,679	\$ 1,685,259	\$ 1,020,664
City's KP&F proportionate share of the collective net pension liability	4,732,798	3,320,799	2,138,644
	<u>\$ 7,204,477</u>	<u>\$ 5,006,058</u>	<u>\$ 3,159,308</u>

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

9 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

10 - Defined Contribution Plan

The City has established the City of Mission Money Purchase Plan, administered by the Principal Financial Group, available to employees other than those participating in KP&F. The City Council established and amends benefit provisions. Employees age 21 or older are eligible to participate after completing 1,000 or more hours of service. The City's contributions for each employee are 60% vested after five years of service and vest an additional 20% each year thereafter. The City makes annual contributions to the plan equal to 2% of covered employees' wages. Employees under the plan can make contributions to the plan of up to 10% of their wages. City and employee contributions for 2018 were \$ 36,947 and \$ 43,957, respectively.

11 - Special Assessments

In January 2015, the City passed Ordinance Number 1419 establishing the Gateway Special Benefit District and levying special assessments on certain property to pay the costs of internal improvements and providing for the collection of such special assessments in 20 annual installments together with interest on such amounts. Special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the Stormwater Fund with a corresponding amount recorded as deferred inflows. Special assessments receivable at December 31, 2018, in the fund financial statements totaled \$ 10,193,128.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12 - Risk Management

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illness; natural disasters and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

13 - Interfund Transfers

Transfers by fund for the year were as follows:

Transfers out	Transfers in				Total
	Stormwater	Solid Waste	Capital Improvement	Nonmajor Governmental	
General	\$ -	\$ 110,000	\$ 904,892	\$ 100,000	\$ 1,114,892
Stormwater	-	-	275,219	-	275,219
Nonmajor governmental	88,000	-	-	-	88,000
	<u>\$ 88,000</u>	<u>\$ 110,000</u>	<u>\$ 1,180,111</u>	<u>\$ 100,000</u>	<u>\$ 1,478,111</u>

The City uses interfund transfers to share administrative costs between funds.

14 - Amounts Due to and from Other Funds

As of December 31, 2018, the City had \$ 6,812 due from the Mission Farm and Flower Market Fund to the General Fund due to cash shortages in the Mission Farm and Flower Market Fund.

15 - Tax Abatements

The City of Mission has utilized a number of economic development incentives that are authorized under Kansas state statutes including constitutional tax abatements [K.S.A. 79-201a]; industrial revenue bonds (IRBs) [K.S.A. 12-1740 et seq]; tax increment financing (TIF) [K.S.A. 12-1770 et seq]; and community improvement district (CID) [K.S.A. 12-6a26 et seq].

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Application of these tools is further clarified by the following city council policies:

Policy 106 - Tax Increment Financing Policy: The City will consider, on a case-by-case basis, the approval of TIF projects, where, but for the availability of TIF, such projects would not be economically viable. Furthermore, any decision regarding the approval of TIF projects will be made in accordance with guidelines and criteria that promote and stimulate the general and economic welfare and quality of life in the community.

Policy 116 - Policy Relating to the Issuance of Tax Abatements: The City will consider tax abatement for firms that qualify for such under state law and develop a final project with a value greater than \$25 million. Such projects will be evaluated on quality job creation, capital investment, diversification of the local economy, the extent to which the project would meet an identified need in the community, or follows applicable design guidelines and long-term plans.

Policy 123 - Community Improvement District Policy: The City will evaluate the establishment of a CID based on a number of criteria including; but not limited to:

- Whether the project promotes and supports efforts to develop or redevelop commercial sites to provide for reinvestment;
- Stimulates quality retail development that enhances the City's economic basis,
- Compliance with uses anticipated in the comprehensive plan;
- High degree of architectural design and site layout;
- The risk to the City, and any other governmental entities, in financing the proposed project (to include exposure of the general property tax levy and credit rating).

Consideration of any incentive begins with the submittal of an application (including fee) to the City. After an initial review by City staff, the City will enter into a pre-development agreement with the applicant that outlines the scope of the project and commitments, process for due diligence review, and any obligation on the part of the applicant to pay for costs that the City may incur in performing the review and/or negotiating a full development agreement.

This report provides information on current economic development projects that the City of Mission has undertaken utilizing these tools. Many projects use more than one tool, and many incorporate some form of tax abatement.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Crossing

Project Description:

Redevelopment of a 6.2-acre site on the City's western boundary that had been the former headquarters and manufacturing plant for Herff Jones, Inc. since 1954. The project entailed the demolition of the existing building and construction of three stand-alone buildings totaling approximately 20,000 square feet of commercial space, and a 100-unit residential facility designed for independent, senior-living.

The mixed-use development complies with the redevelopment goals of the City's West Gateway Vision Plan. It includes streetscape improvements along the project perimeters, a new public park located at the southwest corner of Martway and Broadmoor, a public trail along Metcalf Avenue and two transit shelters to access the enhanced bus services along the Johnson Drive/Martway corridors.

Use	Size	Project Value at Building Permit Issuance	Date of Completion
Multi-Tenant Commercial Building	8,900 sq. ft.	\$990,000 + Tenant Finishes \$731,000	2011
Chick-fil-A	4,600 sq. ft.	\$450,000	2012
Culver's	4,250 sq. ft.	\$990,000	2012
Welstone Apartments	98,500 sq. ft.	\$8,100,000	2016

Name of the Recipient of the Tax Abatement (the Developer):

Lane 4 Development (d/b/a as Mission Commons LLC) – 4705 Central Ave., Kansas City, MO 64112

Redevelopment Agreement Adopted (Authority):

Ordinance 1316 – An Ordinance Making Certain Findings with Respect to the Establishment of a Redevelopment District in the City of Mission, Kansas and Establishing a Redevelopment District (Mission Crossing Project Redevelopment) – Adopted January 20, 2010.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Crossing (Continued)

Redevelopment Agreement Adopted (Authority)(Continued):

Ordinance 1317 – An Ordinance Making Findings as to the Advisability of and Creating a Community Improvement District at 6015 Travis Lane, Mission, Kansas; Authorizing Certain Community Improvement District Projects Relating Thereto: Approving the Maximum Cost of Such Community Improvement Projects; Providing for the Method of Financing; Authorizing the Imposition of a Community Improvement District Sales Tax within the Community Improvement District; Establishing a Method of Collection of Such Sales Tax; and Providing for the Segregation of Such Sales Tax Revenues for the Retirement of Bonds or Pay-As-You-Go Reimbursement of Costs of the Community Improvement Projects in the Community Improvement District – Adopted January 20, 2010.

Ordinance 1324 – An Ordinance Approving and Adopting a Redevelopment Project Plan within the Boundaries of the Mission Crossing Redevelopment District in the City of Mission, Kansas (Mission Crossing Redevelopment Project) – Adopted May 19, 2010.

Ordinance 1395 – An Ordinance Authorizing The Issuance by the City of Mission, Kansas of Not to Exceed \$6,000,000 Aggregate Principal amount of Taxable Industrial Revenue Bonds (Aspen Village Project – A/K/A Welstone Apartments), Series 2014, to Provide Funds to Acquire, Construct and Equip A Project for AVI Mission, LP and Authorizing and Approving Certain Documents and Actions in Connection with The Issuance of Said Bonds – Adopted February 19, 2014.

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

Tax Increment Financing (TIF) [K.S.A 12-1770 et seq] is structured to reimburse the project developer on a “Pay-As-You-Go” basis with reimbursement coming from the property tax on the assessed valuation above (property tax increment) the assessed valuation at the time the district was formed (base valuation), and the City’s 1% general sales tax generated from all retail sales that occur within the defined project area. Base year established 2010, TIF expires in 2030.

Community Improvement District (CID) [K.S.A 12-6a26 et seq] is structured to reimburse the Developer on a “Pay-As-You-Go” basis with reimbursement coming from an additional 1% sales tax collected on retail sales generated within the district. The CID became effective October 2012 and will expire in 2034.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Crossing (Continued)

Public Assistance Tools Utilized (Authority) and the Structure of Utilization (Continued):

Industrial Revenue Bonds (IRBs) [K.S.A 12-1740 et seq] are structured to provide sales tax exemption on the construction of the senior-living component of the redevelopment project.

Eligibility Criteria for Receiving the Tax Abatement:

Kansas state statutes stipulate that proceeds from Tax Increment Financing be used for costs associated with preparing a site for development. This would include land acquisition (including incidental costs such as legal services) and site preparation (including grading and public infrastructure improvements).

Kansas state statutes stipulate that proceeds from a Community Improvement District can be used for vertical construction, parking, transportation improvements, streetscapes and lighting, parks, lawns, and transit facilities.

The Mission Crossing redevelopment project was built to conform with the City's newly adopted West Gateway Vision plan, which called for, among other things, on street parking, sidewalks, street lighting and streetscape, and buildings built up to the sidewalk. The costs associated with these amenities are to be reimbursed with proceeds from both the TIF and the CID.

Summary of Financial Structure:

Total Project Costs: \$24,199,895		
	Total Costs Eligible for Incentives	Total Amount Reimbursed to Date
TIF Eligible Costs	\$ 9,255,157	\$ 757,286
CID Eligible Costs	\$ 5,359,738	\$ 310,824
IRB	\$ 561,000	N/A

This project is anticipated to generate approximately \$3,948,000 in TIF revenue over the 20-year life of the TIF plan, and approximately \$1,188,000 in CID revenue over the 22-year life of the CID. This is a total of \$5,136,000 in TIF and CID revenue, or an estimated 21% of Total Project Costs. To date, the developer has submitted just over \$6,000,000 in costs that are eligible for reimbursement under the redevelopment plan.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Crossing (Continued)

Summary of Financial Structure (Continued):

In 2018, the City of Mission reimbursed the developer the following amounts from TIF and CID:

Property Tax Increment Financing - \$207,442.33
Sales Tax Increment Financing - \$72,601.53
Community Improvement District Financing - \$71,012.74

Amounts Received from Other Governments In Association with Forgone Tax Revenue:

No funds were received from other taxing entities in association with this project. However, the following property tax revenues were diverted from other taxing entities in 2018 in accordance with the Tax Increment Financing statutes:

Johnson County Property Tax (19.318 mills) - \$40,376.53
Johnson County Community College (9.503 mills) - \$19,862.21
Johnson County Library (3.921 mills) - \$8,195.28
Johnson County Park Dist. (3.112 mills) - \$6,504.39
Consolidated Fire Dist. #2 (11.760 mills) - \$24,579.56
Unified School District #512 (33.663 mills) - \$70,359.01

The following sales taxes (based on the \$6 million in IRBs issued for the independent senior living facility) were forgone with the initial construction and equipping of the facility.

City of Mission (1.625%) - \$97,500
Johnson County (1.225%) - \$73,500
State of Kansas (6.500%) - \$390,000

Provisions for Recapturing Abated Taxes:

None.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Crossing (Continued)

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project:

The City committed to the construction of a transit stop utilizing a TIGER grant and the design and construction management of the park site.

Commitments Made by the Recipient of the Tax Abatement:

The Developer dedicated 1/2 of an acre of land for a small, pocket park, valued at approximately \$350,000. The developer also contributed \$100,000 for construction of the park amenities.

Tax Abatement Information Omitted For Legal Purposes:

None.

Tax Abatement Disclosed Individually:

None.

Cornerstone Commons

Project Description:

The Cornerstone Commons project entailed the redevelopment of a 2.98 acre tract at the southwest corner of Johnson Drive and Barkley Street that was a former automobile dealership.

The project is a mixed-use development that conforms to the design principles of the West Gateway Vision Plan and the Form Based Code by having multi-level structures situated up to the sidewalk, on-street parking, and incorporating pedestrian oriented elements such as benches, lighting, and landscaping.

The development includes a 15,000 square foot Natural Grocers store, a 4,000 square foot building for casual dining/retail, and a third 12,000 square foot building for casual dining/retail and office.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Cornerstone Commons (Continued)

Project Description (Continued):

Use	Size	Project Value at Building Permit	Date of Completion
Natural Grocers Retailer	15,000 sq. ft.	\$ 1,750,000	2015
Lot 2 Building			
Pie-Five Restaurant	1,900 sq. ft.	\$ 130,000	2015
Potbelly Restaurant	2,100 sq. ft.	\$ 190,000	2015
Lot 3 Building			
Five Guys Restaurant	2,500 sq. ft.	\$ 250,000	2015
Pepperjax Grill	2,600 sq. ft.	\$ 270,000	2015
Office	4,000 sq. ft.	\$ 800,000	2015

Name of the Recipient of the Tax Abatement (the Developer):

Christie Development Associates (d/b/a Cornerstone Commons, LLC) 7387 W. 162nd St., Suite 200, Stilwell, KS 66085

Redevelopment Agreement Adopted (Authority):

Ordinance 1402 - An Ordinance Authorizing the Creation of the Cornerstone Commons Community Improvement District In the City of Mission, Kansas; Authorizing the Making of Certain Project Improvements Relating Thereto; Approving the Estimated Costs of Such Project Improvements; Levying 1% CID Sales Tax, and Providing for the Method of Financing of Said – Adopted July 16, 2014.

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

Community Improvement District (CID) [K.S.A 12-6a26 et seq] is structured to reimburse the project developer on a “Pay-As-You-Go” basis with reimbursement coming from an additional 1% sales tax collected on retail sales generated within the district. The CID became effective June 2015 and will expire in 2037.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Cornerstone Commons (Continued)

Eligibility Criteria for Receiving the Tax Abatement:

The redevelopment project is intended to conform to the design principles of the West Gateway Vision Plan and the Form Based Code by having multi-level structures situated at the sidewalk and incorporating pedestrian oriented elements such as benches, lighting, landscaping, and on-street parking. To this end, the redevelopment agreement provides for reimbursement of specific eligible costs that further the intended design of the redevelopment project. These include, but are not limited to:

- Right-of-Way Dedication on Johnson Drive and Barkley
- Streetscape Improvements on Johnson Drive and Barkley
- Storm Water Improvements on Johnson Drive and Barkley
- Demolition and Removal Costs for Existing Building and Parking Lot
- Glass Upgrades on Tenant A, B, C Buildings
- Street Patio with Pergola, Decorative Wrought Iron Fencing, and Building Enhancements Facing Johnson Drive
- Natural Grocers Pedestrian Enhancement, Outdoor Seating, and Building Enhancements Facing Johnson Drive

The total estimated value for all of these improvements is \$1,721,788, of which the redevelopment agreement stipulates that no more than \$1,500,000 will be reimbursed to the developer through the CID sales tax.

Summary of Financial Structure:

Total Project Costs: \$9,000,504		
	Total Costs Eligible for Incentives	Total Amount Reimbursed to Date
CID Eligible Costs	\$ 1,500,000	\$ 188,008.68

The sales tax is estimated to generate approximately \$1.3 million over the life of the CID. This is approximately 14% of the project costs. \$64,379.68 was collected in CID sales tax in 2018.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Cornerstone Commons (Continued)

Amounts Received from Other Governments In Association with Forgone Tax Revenue:

None. The CID Sales Tax is a special 1% sales tax placed on all retail sales that occur within the boundaries of the CID (the redevelopment project). Because this is a special sales tax above the current sales tax, no sales tax revenue is diverted from the City or other taxing jurisdictions.

Provisions for Recapturing Abated Taxes:

None.

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project:

None.

Commitments Made by the Recipient of the Tax Abatement:

None.

Tax Abatement Information Omitted For Legal Purposes:

None.

Tax Abatement Disclosed Individually:

None.

Herald Corner (a/k/a Brinshore)

Project Description:

This was the proposed redevelopment of a 1.5-acre site located within the interior of a block at the southeast corner of Metcalf Avenue and Johnson Drive, more commonly known as 7080 Martway. The site had been the former location of the Neff Printing Company since the 1930s.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Herald Corner (a/k/a Brinshore) (Continued)

Project Description (Continued):

The developer proposed the construction of a three-story, 32-unit senior-living residential facility on the site.

The development was dependent on the successful application for low-income housing credits from the Kansas Housing Resources Corporation. After three application cycles, the Developer was unable to secure the housing credits, and the pre-development agreement between the City and developer was dissolved. ***At present, there is no proposed project for this site.***

Name of the Recipient of the Tax Abatement (the Developer):

The developer for the proposed project was Brinshore Development LLC, 666 Dundee Road, Suite 1102, Northbrook, IL 60062. The development agreement with this developer has been dissolved, and at present there is no developer. However, the Tax Increment Financing (TIF) District remains in place.

Redevelopment Agreement Adopted (Authority):

Ordinance 1413 - An Ordinance Making Certain Findings with Respect to the Establishment of a Redevelopment District in the City of Mission, Kansas and Establishing a Redevelopment District (Herald Corner Project Redevelopment) – Adopted November 19, 2014.

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

A Tax Increment Financing (TIF) [K.S.A 12-1770a(d)] district was established to reimburse the project developer for certain eligible costs with reimbursement coming from the property tax on the assessed valuation above (property tax increment) the assessed valuation at the time the district was formed (base valuation). Base established in 2014.

Eligibility Criteria for Receiving the Tax Abatement:

The developer was required to seek and obtain housing credits from the Kansas Housing Resources Corporation before the redevelopment project could be approved and executed. The developer was unable to accomplish this.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Herald Corner (a/k/a Brinshore) (Continued)

Eligibility Criteria for Receiving the Tax Abatement (Continued):

Future projects will be required to meet the design guidelines of the West Gateway Plan and the Form Based Code.

Summary of Financial Structure:

No financial structure for this project exists at this time.

Amounts Received from Other Governments In Association with Forgone Tax Revenue:

The previous development plan had stipulated that the Developer was to apply for low-income tax credits from the Kansas Housing Resources Corporation. This did not occur. As of this writing, there are no other commitments from other tax entities, and no taxes have been forgone.

Provisions for Recapturing Abated Taxes:

None.

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project:

None.

Commitments Made by the Recipient of the Tax Abatement:

None.

Tax Abatement Information Omitted For Legal Purposes:

None.

Tax Abatement Disclosed Individually:

None.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Gateway

Project Description:

This project proposes the redevelopment of a 16-acre site that was formerly the Mission Mall, originally built in the 1950s as one of the first suburban shopping centers in the United States. The site is located on the City's east side and is bounded by Johnson Drive, Roeland Drive, and Shawnee Mission Parkway.

Purchased by the developer in 2005, the mall was demolished the following year to make way for a proposed mixed-used development project. However, redevelopment could not begin until the site was removed from the 100-year flood plain. This entailed realigning and enclosing the Rock Creek channel through the site. The \$12 million project was funded through special revenue bonds that were issued by the City and are being repaid by a 20-year special assessment placed on the property.

The Rock Creek Tax Increment Finance District was established in 2006, which included not only the redevelopment site, but properties along either side of the creek channel that made up much of the immediate drainage basin.

The Fourth Amended TIF Redevelopment Project Plan was approved in October of 2017. This project plan entailed the development of a 556,000 square foot, mixed-use development to include three apartment buildings with a total of 168 units, retail, 200 room hotel, office food hall, and "entertainment venue." The total cost for the project is approximately \$214 million. A Third Amended and Restated Redevelopment Agreement was also approved in October of 2017 detailing the provisions for the application of economic incentives to assist with the project.

Previous versions of the project included a Transportation Development District (TDD) which was later replaced with two Community Improvement Districts (Gateway CID #1 and Gateway CID #2) which were subsequently replaced with a single Community Improvement District (Gateway CID #3) also approved in October of 2017. The ordinances included below reflect only those which impact the project approved in 2017.

Name of the Recipient of the Tax Abatement (the Developer):

Aryeh Realty, LLC, 50 Broadway, New York, NY 100004

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Gateway (Continued)

Redevelopment Agreement Adopted (Authority):

Ordinance 1190 – An Ordinance Making Certain Findings with Respect to The Establishment of a Redevelopment District In The City of Mission, Kansas, and Establishing a Redevelopment District (Rock Creek Redevelopment) – Adopted January 11, 2006; Amended (Ordinance 1195) February 8, 2006; Amended (Ordinance 1255) January 23, 2008.

Ordinance 1468 – An Ordinance Approving and Adopting a Fourth Amended Redevelopment Project Plan for Project Area 1 Within the Boundaries of the Rock Creek Redevelopment District in the City of Mission, Kansas (Gateway Redevelopment Project) – Adopted October 18, 2017.

Ordinance 1469 - An Ordinance Authorizing the Creation of the Mission Gateway Community Improvement District #3 In the City of Mission, Kansas; Authorizing the Making of Certain Project Improvements Relating Thereto; Approving the Estimated Costs of Such Project Improvements; Levying 1% CID Sales Tax, and Providing for the Method of Financing of Said – Adopted October 18, 2017.

Ordinance 1490 – An Ordinance Authorizing the City of Mission, Kansas to Issue Taxable Industrial Revenue Bonds (Aryeh Realty, LLC Project), Series 2018, in a principal amount not to exceed \$214,258,589 for the Purpose of Providing Funds to Pay the Cost of Acquiring, Purchasing, Constructing, Installing and Equipping Commercial Facilities Including Land, Buildings, Structures, Improvements, Fixtures, Machinery and Equipment; Authorizing the City to Enter into Certain Documents and Actions in Connection with the Issuance of Said Bonds (Sales Tax Exemption Only). Adopted October 17, 2018.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Gateway (Continued)

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

Tax Increment Financing (TIF) [K.S.A 12-1770a(c)(1)] is structured to first support a “Pay-As-You-Go” agreement on Phase 1 and then to reimburse holders of Special Obligation Bonds until fully reimbursed, and then the developer on a “Pay-As-You-Go” basis with reimbursement coming from the property tax on the assessed valuation above (property tax increment) the assessed valuation at the time the district was established (base valuation), and 55% of the City’s 1% general sales tax generated from all retail sales that occur within the defined project area. In addition, 8% of the total 9% Transient Guest Tax generated by the hotel on site will be reimbursed. The base valuation was established in 2006. The TIF District begins in 2019 and will expire in 2038.

Community Improvement District (CID) [K.S.A 12-6a26 et seq] #3 is structured to first support a “Pay-As-You-Go” agreement on Phase 1 and then to reimburse holders of Special Obligation Bonds until fully reimbursed, and then the developer on a “Pay-As-You-Go” basis with reimbursement coming from a 1.0% CID sales tax as collected on certain retail sales generated within the district. The CID was established in 2017, will be activated in 2020, and will expire in 2041.

Industrial Revenue Bonds (IRBs) [K.S.A 12-1740 to 12-1749d] allows cities to utilize their tax exempt status to issue bonds for the acquisition, construction, and equipping of certain facilities. IRBs were issued for this project in January of 2019 in an amount not to exceed \$214,258,589 to provide sales tax exemption for the construction and equipping of the development.

Eligibility Criteria for Receiving the Tax Abatement:

Completion of a proposed redevelopment project that conforms to the standards of the East Gateway Redevelopment District Guidelines which stipulate a mixed-used development on the site with “urban” style components including buildings built to the sidewalk, on street parking, streetscape, and public spaces.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Gateway (Continued)

Summary of Financial Structure:

Total Project Costs: \$214,558,862		
	Total Costs Eligible for Incentives	Total Amount Reimbursed to Date
TIF Eligible Costs	\$43,869,336	None to date
CID Eligible Costs	\$169,615,545	None to date
IRBs	\$19,310,000	N/A

The Financial Structure is based on the Third Amended and Restated Redevelopment Agreement, which was adopted in 2017. The total TIF and CID Eligible costs are shown in the table above, but the Redevelopment Agreement limits total eligible project costs at \$173,795,545. No tax increment has been collected, so there has been no financial impact on the City's taxes (property or sales), nor on any other taxing jurisdiction.

This project is anticipated to generate approximately \$64,000,000 in TIF revenue over the 20 year life of the TIF plan, and approximately \$21,831,000 in CID revenue over the 22 year life of the CID. This is a total of \$85,831,000 in TIF and CID revenue, or an estimated 40% of Total Project Costs. Of the approximately \$64,000,000, the developer will be eligible for approximately \$53,000,000 due to the TIF sharing arrangement outlined in the development agreement. This reduces the total amount of TIF and CID revenue that the developer will receive to \$75,000,000 or 35% of the project. To date, the developer has not submitted any costs that are eligible for reimbursement under the redevelopment plan.

Amounts Received from Other Governments In Association with Forgone Tax Revenue:

In 2018, the City of Mission reimbursed the developer the following amounts from TIF and CID:

Property Tax Increment Financing - \$0
Sales Tax Increment Financing - \$0
Community Improvement District Financing - \$0

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Gateway (Continued)

Amounts Received from Other Governments In Association with Forgone Tax Revenue (Continued):

The following sales taxes (based on the \$214,558,862 in IRBs issued for the independent senior living facility) will be forgone with the initial construction and equipping of the facility.

City of Mission (1.625%) - \$3,486,581
Johnson County (1.225%) - \$2,628,346
State of Kansas (6.500%) - \$13,946,326

Amounts Received from Other Governments In Association with Forgone Tax Revenue:

No funds were received from other taxing entities in association with this project. No property tax revenues were diverted from other taxing entities in 2018. No sales taxes have been diverted from the use of the IRBs sales tax exemption at this time.

Provisions for Recapturing Abated Taxes:

None.

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project:

The City committed to storm water improvements on the site that consisted of realigning and enclosing the Rock Creek channel, thus removing the site from the 100-year flood plain. The improvements totaled approximately \$12 million, of which the City was initially to be reimbursed from TIF and/or CID proceeds. Because the redevelopment project lagged in implementation, the City established a special benefit district and assessed the property for the cost of these improvements (Ordinance 1419) over a 20-year period.

Commitments Made by the Recipient of the Tax Abatement:

Completion of the redevelopment project in accordance with the design guidelines of the East Gateway Redevelopment Plan.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Gateway (Continued)

Tax Abatement Information Omitted For Legal Purposes:

None.

Tax Abatement Disclosed Individually:

None.

Mission Square

Project Description:

This project entailed the construction and equipping of an 87,000 square foot, three story independent living facility for seniors. The facility consists of 55 individual two and one bedroom units, a dining hall, recreation and meeting rooms, and guest rooms.

Completed in 2010, the project was built on a parcel of property acquired from the City of Mission at the northeast corner of Lamar and Martway, adjacent to the City's community center.

The Developer acquired the site from the City for \$550,000. The developer then entered into an agreement with the City whereby the City would issue \$17 million in Senior Housing Revenue Bonds to finance the acquisition, construction and equipping of the facility. Operating as a non-profit, the developer provides an annual payment-in-lieu-of-taxes to the City in the amount of \$53,125 to cover the cost of membership for the facility's residents to use the City's community center and the lease of a parking lot across the street from the community center.

Name of the Recipient of the Tax Abatement (the Developer):

Essex Corporation (d/b/a Mission Square Inc.) - 11606 Nicholas Street, Omaha, NE 68154

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Square (Continued)

Redevelopment Agreement Adopted (Authority):

Ordinance 1307 – An Ordinance Authorizing the Issuance by the City of Mission, Kansas of Not to Exceed \$17,000,000 Aggregate Principal Amount of Senior Housing Revenue Bonds (Mission Square, Inc. Project) In One or More Series 2009, to Provide Fund to Acquire, Construct, and Equip a Project for Mission Square, Inc., and Authorizing and Approving Certain Documents and Actions in Connection with the Issuance of Said Bonds – Adopted November 18, 2009; Amended (Ordinance 1392) December 18, 2013.

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

Industrial Revenue Bonds [K.S.A 12-1740 to 12-1749d] allows cities to utilize their tax-exempt status to issue bonds for the acquisition, construction, and equipping of certain facilities including senior housing. To preserve the tax-exempt status, the City holds legal title to the property and leases the property back to the developer for a period of up to ten years. IRB's are often used to exempt sales tax associated with the construction or renovation of a facility.

Eligibility Criteria for Receiving the Tax Abatement:

The Developer is to maintain the facility as an independent, senior living facility.

Summary of Financial Structure:

Total Project Costs: \$17,000,000		
	Total Costs Eligible for Incentives	Total Amount Reimbursed to Date
IRB	\$ 1,589,500	N/A

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Square (Continued)

Amounts Received from Other Governments In Association with Forgone Tax Revenue:

No funds were received from taxing entities in association with this project. The following sales taxes were forgone with the construction and equipping of the senior-living facility:

City of Mission (1.625%) - \$276,250
Johnson County (1.225%) - \$208,250
State of Kansas (6.500%) - \$1,105,000

Provisions for Recapturing Abated Taxes:

None.

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project:

None.

Commitments Made by the Recipient of the Tax Abatement:

Completion of the redevelopment project.

Tax Abatement Information Omitted For Legal Purposes:

None.

Tax Abatement Disclosed Individually:

None.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Trails

Project Description:

This project entails the demolition of the former Pyramid Life Insurance Company headquarters at 6201 Johnson Drive and the construction of a five-story, mixed-use development consisting of approximately 200 luxury, residential apartments with clubhouse, leasing office and restaurant on the ground floor.

Additionally, the project includes a structured parking facility, on- and off-street parking, and connections to the existing Johnson Drive streetscape improvements. The 4-story parking structure will include approximately 287 parking spaces to serve the residential and retail uses. The redevelopment agreement provides that 50 spaces in the parking structure will be designated as public parking at no cost to the City.

The total estimated cost of the Project is currently projected to be approximately \$41 million.

Name of the Recipient of the Tax Abatement (the Developer):

Mission Apartments, LLC, c/o EPC Real Estate Group, 411 Nichols Road, Suite 225, Kansas City, MO 64112.

Redevelopment Agreement Adopted (Authority):

Ordinance 1457 – An Ordinance Making Certain Findings with Respect to The Establishment of a Redevelopment District In The City of Mission, Kansas, and Establishing a Redevelopment District (The Place at Mission Apartments) – Adopted April 19, 2017.

Ordinance 1467 – An Ordinance Adopting the Mission Trails Project Plan for Use In Connection With a Redevelopment District Within the City (Mission Trails Project) – Adopted September 20, 2017.

CITY OF MISSION, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Trails (Continued)

Redevelopment Agreement Adopted (Authority) (Continued):

Ordinance 1486 – An Ordinance Authorizing the City of Mission, Kansas to Issue Taxable Industrial Revenue Bonds (Mission Apartments, LLC Project), Series 2018, in a principal amount not to exceed \$20,000,000 for the Purpose of Providing Funds to Pay the Cost of Acquiring, Purchasing, Constructing, Installing and Equipping Commercial Facilities Including Land, Buildings, Structures, Improvements, Fixtures, Machinery and Equipment; Authorizing the City to Enter into Certain Documents and Actions in Connection with the Issuance of Said Bonds (Sales Tax Exemption Only).

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

Tax Increment Financing (TIF) [K.S.A 12-1770a(c)(1)] is structured to reimburse the Developer on a “Pay-As-You-Go” basis with reimbursement coming from the property tax on the assessed valuation above (property tax increment) the assessed valuation at the time the district was established (base valuation). The base valuation was established in 2017 and the TIF District begins in 2017 and will expire in 2037.

Eligibility Criteria for Receiving the Tax Abatement:

Completion of a mixed-use project which complies with the Downtown District and Johnson Drive Design guidelines.

Summary of Financial Structure:

Total Project Costs: \$41,033,817		
	Total Costs Eligible for Incentives	Total Amount Reimbursed to Date
TIF Eligible Costs	\$11,764,200	None to date
IRBs	\$1,870,000	N/A

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Trails (Continued)

Summary of Financial Structure (Continued):

This project is anticipated to generate approximately \$8,536,846 in TIF revenue over the 20-year life of the TIF plan or an estimated 21% of Total Project Costs. As a part of the Redevelopment Agreement, the City negotiated an additional project fee of \$250,000 to be paid as follows; \$100,000 upon receipt of a building permit, \$100,000 upon receipt of a certificate of occupancy, and \$50,000 upon 85% residential occupancy.

The Redevelopment Agreement contemplates the issuance of Industrial Revenue Bonds. Industrial Revenue Bonds [K.S.A 12-1740 to 12-1749d] allows cities to utilize their tax-exempt status to issue bonds for the acquisition, construction, and equipping of certain facilities.

The following sales taxes (based on the \$20 million in IRBs issued for the project) will be forgone with the initial construction and equipping of the facility.

City of Mission (1.625%) - \$325,000
Johnson County (1.225%) - \$245,000
State of Kansas (6.500%) - \$1,300,000

No tax increment has been collected, so there has been no financial impact on the City's taxes (property), nor on any other taxing jurisdiction.

Amounts Received from Other Governments In Association with Forgone Tax Revenue:

None as of this writing. If the development proceeds, and incentives are granted by the City, then other taxing entities would forego property taxes.

Provisions for Recapturing Abated Taxes:

None.

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project:

None.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Mission Trails (Continued)

Commitments Made by the Recipient of the Tax Abatement:

The developer will construct and maintain approximately 50 public parking spaces in the structured parking facility. The developer will also remit a Project Fee of \$250,000 to be paid as follows; \$100,000 upon receipt of a building permit, \$100,000 upon receipt of a certificate of occupancy, and \$50,000 upon 85% residential occupancy.

Tax Abatement Information Omitted For Legal Purposes:

None.

Tax Abatement Disclosed Individually:

None.

Silvercrest at Broadmoor (a/k/a Dial Redevelopment)

Project Description:

This included the proposed redevelopment of a 1.5 acre site more commonly addressed as 5665 Foxridge. A former JC Penney call center location, which has been vacant for more than ten years, is located on the subject property. In 2017, the developer proposed the construction of a four-story, 200 unit senior-living residential facility on the site. Following creation of the TIF District in 2017, the developer withdrew the project and there is currently no developer for the site. The TIF district remains in place, with the base year valuation established in 2017.

Name of the Recipient of the Tax Abatement (the Developer):

At present there is no developer, however, the Tax Increment Financing (TIF) District remains in place.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Silvercrest at Broadmoor (a/k/a Dial Redevelopment) (Continued)

Redevelopment Agreement Adopted (Authority):

Ordinance 1455 - An Ordinance Making Certain Findings with Respect to the Establishment of a Redevelopment District in the City of Mission, Kansas and Establishing a Redevelopment District (Silvercrest at Broadmoor) – Adopted March 14, 2017.

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

A Tax Increment Financing (TIF) [K.S.A 12-1770a(d)] district was established to reimburse the project developer for certain eligible costs with reimbursement coming from the property tax on the assessed valuation above (property tax increment) the assessed valuation at the time the district was formed (base valuation). Base established in 2017.

Eligibility Criteria for Receiving the Tax Abatement:

Future projects will be required to meet the design guidelines of the West Gateway Vision Plan and the Form Based Code.

Summary of Financial Structure:

No financial structure for this project exists at this time.

Amounts Received from Other Governments In Association with Forgone Tax Revenue:

As of this writing, there are no other commitments from other tax entities, and no taxes have been forgone.

Provisions for Recapturing Abated Taxes:

None.

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project:

None.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

Silvercrest at Broadmoor (a/k/a Dial Redevelopment) (Continued)

Commitments Made by the Recipient of the Tax Abatement:

None.

Tax Abatement Information Omitted For Legal Purposes:

None.

WAK Development

Project Description:

This project entails the renovation and equipping of an 32,000 square foot, three story office building. This will be a dental office for Keith & Associates dentistry and associated laboratories and offices.

Name of the Recipient of the Tax Abatement (the Developer):

WAK Development, LLC (d/b/a Keith & Associates.) – 6299 Nall Avenue, Mission, Kansas, 66202

Redevelopment Agreement Adopted (Authority):

Ordinance 1482 – An Ordinance Authorizing the City of Mission, Kansas to Issue Taxable Industrial Revenue Bonds (WAK Development, LLC Project), Series 2018, in a principal amount not to exceed \$4,000,000 for the Purpose of Providing Funds to Pay the Cost of Acquiring, Purchasing, Constructing, Installing and Equipping Commercial Facilities Including Land, Buildings, Structures, Improvements, Fixtures, Machinery and Equipment; Authorizing the City to Enter into Certain Documents and Actions in Connection with the Issuance of Said Bonds (Sales Tax Exemption Only).

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

WAK Development (Continued)

Public Assistance Tools Utilized (Authority) and the Structure of Utilization:

Industrial Revenue Bonds [K.S.A 12-1740 to 12-1749d] allows cities to utilize their tax-exempt status to issue bonds for the acquisition, construction, and equipping of certain facilities including senior housing. To preserve the tax-exempt status, the City holds legal title to the property and leases the property back to the Developer for a period of up to ten years. IRB's are often used to exempt sales tax associated with the construction or renovation of a facility.

Eligibility Criteria for Receiving the Tax Abatement:

The Developer is to maintain the facility as a dental office.

Summary of Financial Structure:

Total Project Costs: \$4,000,000		
	Total Costs Eligible for Incentives	Total Amount Reimbursed to Date
IRB	\$374,000	N/A

Amounts Received from Other Governments In Association with Forgone Tax Revenue:

No funds were received from taxing entities in association with this project. The following sales taxes will be forgone with the remodeling and equipping of the building:

City of Mission (1.625%) - \$65,000
Johnson County (1.225%) - \$49,000
State of Kansas (6.500%) - \$260,000

Provisions for Recapturing Abated Taxes:

None.

CITY OF MISSION, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

15 - Tax Abatements (Continued)

WAK Development (Continued)

Commitments, Other Than Tax Abatements, Made by the City of Mission in Association with the Redevelopment Project:

None.

Commitments Made by the Recipient of the Tax Abatement:

None.

Tax Abatement Information Omitted For Legal Purposes:

None.

Tax Abatement Disclosed Individually:

None.

16 - Subsequent Events

Subsequent to year-end, one pending lawsuit resulted in monetary judgments against the City, while another pending lawsuit was nearing settlement. These lawsuits resulted from the City's transportation utility fee, which was enacted by the City in 2010. The outcomes of these lawsuits and the ranges of potential loss are presently determinable. As such, the City has recorded a liability for the settled lawsuit and an accrual for the pending lawsuit.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MISSION, KANSAS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios - Health Insurance

Last Fiscal Year¹

	<u>2018</u>
Total OPEB liability:	
Service cost	\$ 71,671
Interest cost	57,439
Difference between expected and actual experience	(610,943)
Changes in assumptions and other inputs	(58,177)
Benefit payments	<u>(42,597)</u>
Net change in total OPEB liability	(582,607)
Total OPEB liability, beginning	<u>1,767,137</u>
Total OPEB liability, ending	<u><u>\$ 1,184,530</u></u>
Covered-employee payroll	\$ 3,602,521
City's total OPEB liability as a percentage of covered-employee payroll	32.9%

¹GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2018. Therefore, 10 years of data is unavailable.

CITY OF MISSION, KANSAS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios - Disability Benefits and Life Insurance

Last Fiscal Year¹

	<u>2018</u>
Total OPEB liability:	
Service cost	\$ 8,723
Interest on total OPEB liability	1,458
Effect of economic/demographic gains or losses	(9,371)
Effect of assumptions changes or inputs	<u>(352)</u>
Net change in total OPEB liability	458
Total OPEB liability, beginning	<u>32,016</u>
Total OPEB liability, ending	<u><u>\$ 32,474</u></u>
Covered-employee payroll	\$ 2,095,328
City's total OPEB liability as a percentage of covered-employee payroll	1.55%

¹ GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2018. Therefore, 10 years of data is unavailable.

CITY OF MISSION, KANSAS

Schedule of City's Proportionate Share of the Collective Net Pension Liability

Kansas Public Employees Retirement System

Last Four Fiscal Years¹

	2018		2017		2016		2015	
	Local	Police and Firemen	Local	Police and Firemen	Local	Police and Firemen	Local	Police and Firemen
City's proportion of the collective net pension liability	0.121%	0.345%	0.119%	0.360%	0.121%	0.357%	0.121%	0.354%
City's proportionate share of the net pension liability	\$ 1,685,259	\$ 3,320,799	\$ 1,725,733	\$ 3,377,855	\$ 1,870,018	\$ 3,319,196	\$ 1,588,416	\$ 2,569,469
City's covered-employee payroll ²	\$ 2,164,266	\$ 1,786,086	\$ 2,113,273	\$ 1,799,123	\$ 2,048,888	\$ 1,796,206	\$ 2,047,740	\$ 1,613,584
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	77.87%	185.93%	81.66%	187.75%	91.27%	184.79%	77.57%	159.24%
Plan fiduciary net position as a percentage of the total pension liability	74.22%	71.53%	72.15%	70.99%	68.55%	69.30%	71.98%	74.60%

¹ GASB 68 requires the presentation of 10 years. Data was not available prior to fiscal year 2015. Therefore, 10 years of data is unavailable.

² Covered-employee payroll corresponds to the measurement date for the year ended June 30.

CITY OF MISSION, KANSAS

Schedule of City's Contributions

Kansas Public Employees Retirement System

Last Four Fiscal Years¹

	2018		2017		2016		2015	
	Local	Police and Firemen	Local	Police and Firemen	Local	Police and Firemen	Local	Police and Firemen
Contractually required contribution	\$ 199,116	\$ 373,428	\$ 175,703	\$ 326,539	\$ 194,456	\$ 362,921	\$ 194,783	\$ 351,871
Contributions in relation to the contractually required contribution	199,116	373,428	175,703	326,539	194,456	362,921	194,783	351,871
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,155,668	\$ 1,876,016	\$ 2,076,861	\$ 1,715,917	\$ 2,118,261	\$ 1,777,281	\$ 2,054,675	\$ 1,647,336
Contributions as a percentage of covered-employee payroll	9.24%	19.91%	8.46%	19.03%	9.18%	20.42%	9.48%	21.36%

¹ GASB 68 requires the presentation of 10 years. Data was not available prior to fiscal year 2015. Therefore, 10 years of data is unavailable.

OTHER SUPPLEMENTARY INFORMATION

CITY OF MISSION, KANSAS
COMBINING BALANCE SHEET

GENERAL FUND

December 31, 2018

	General	Municipal Court	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and investments	\$ 4,739,082	\$ -	\$ 4,739,082
Restricted cash and investments	-	14,035	14,035
Receivables:			
Taxes	3,862,444	-	3,862,444
Other	103,140	-	103,140
Due from other funds	6,812	-	6,812
Land held for resale	100,000	-	100,000
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 8,811,478</u>	<u>\$ 14,035</u>	<u>\$ 8,825,513</u>
Liabilities, deferred inflows of resources, and fund balances:			
Liabilities:			
Accounts payable	\$ 415,336	\$ -	\$ 415,336
Accrued liabilities	126,639	-	126,639
Payable from restricted assets:			
Municipal court bonds	-	14,035	14,035
Unearned revenue	110,648	-	110,648
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>652,623</u>	<u>14,035</u>	<u>666,658</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	2,815,503	-	2,815,503
	<u> </u>	<u> </u>	<u> </u>
Fund balances:			
Committed	129,463	-	129,463
Assigned	229,000	-	229,000
Unassigned	4,984,889	-	4,984,889
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>5,343,352</u>	<u>-</u>	<u>5,343,352</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,811,478</u>	<u>\$ 14,035</u>	<u>\$ 8,825,513</u>

CITY OF MISSION, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GENERAL FUND

Year Ended December 31, 2018

	General	Municipal Court	Total
Revenues:			
Taxes	\$ 8,869,371	\$ -	\$ 8,869,371
Intergovernmental	80,109	-	80,109
Licenses and permits	155,469	-	155,469
Charges for services	1,761,075	-	1,761,075
Fines and fees	1,406,613	-	1,406,613
Interest	61,369	-	61,369
Miscellaneous	389,255	-	389,255
Total revenues	12,723,261	-	12,723,261
Expenditures:			
Current:			
General government	2,275,151	-	2,275,151
Public safety	3,756,157	-	3,756,157
Public works	1,778,446	-	1,778,446
Culture and recreation	2,632,716	-	2,632,716
Capital outlay	244,140	-	244,140
Debt service:			
Principal	258,835	-	258,835
Interest and other charges	15,113	-	15,113
Total expenditures	10,960,558	-	10,960,558
Excess of revenues over expenditures	1,762,703	-	1,762,703
Other financing sources (uses):			
Transfers out	(1,114,892)	-	(1,114,892)
Sale of general capital assets	2,968	-	2,968
Total other financing sources (uses)	(1,111,924)	-	(1,111,924)
Net change in fund balances	650,779	-	650,779
Fund balances, beginning	4,692,573	-	4,692,573
Fund balances, ending	\$ 5,343,352	\$ -	\$ 5,343,352

CITY OF MISSION, KANSAS
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

1. **Special Alcohol Fund** – established to account for one-third of the Alcohol Tax Funds sent to the City quarterly from the State Treasurer’s office, and to disperse monies that are allocated yearly for distribution to agencies that are approved by the City Council in specified amounts on a yearly basis.
2. **Special Parks and Recreation Fund** – established to account for one-third of the Alcohol Tax Funds that are sent to the City quarterly by the State Treasurer’s office which are computed in compliance with K.S.A Supp. 79-41A04 et seq., representing tax receipts and adjustments processed by the Department of Revenue.
3. **Special Law Enforcement Fund** – established to provide a depository for monies forfeited to the police department pursuant to provisions of K.S.A. 65-4135 and 65-4156 relating to controlled substance investigation forfeitures. Expenditures from this fund are made only for authorized law enforcement purposes of the police department. Monies in the fund are not to be used for normal operating expenses of the City’s police department.
4. **Special Highway Fund** – established to account for monies sent quarterly from the State Treasurer’s office which are the Special City and County Highway Fund distributed and computed in compliance with K.S.A. 79-3425C.
5. **School District Sales Tax Fund** – established to account for the City’s portion of sales tax monies received as a result of a ¼ cent sales tax granted to schools by Johnson County voters in 2002. The sales tax is no longer being collected.
6. **Mission Convention and Visitors Bureau Fund** – established to account for transient guest tax receipts and is used to track the activities and expenditures of the Mission Convention and Visitors Bureau.
7. **Donations and Gifts Fund** – established to account for donations and gifts from businesses, groups and individuals.
8. **Rock Creek Drainage District #1 Fund** – established to account for the Rock Creek Drainage District #1.
9. **Rock Creek Drainage District #2 Fund** – established to account for the Rock Creek Drainage District #2.

CITY OF MISSION, KANSAS
NONMAJOR GOVERNMENTAL FUNDS

(Continued)

10. **Mission Crossing TIF Fund** – established to account for the property tax and sales tax that is generated from the development of the Mission Crossing Shopping Center and Welstone senior independent living facility. These taxes are remitted back to the developer to reimburse for certain eligible costs associated with the development in accordance with K.S.A. 12-1770 (Tax Increment Finance Statutes) and K.S.A. 12-6a26 (Community Improvement District Act).
11. **Cornerstone Commons CID Fund** – established to account for a 1% Community Improvement District (CID) sales tax that is generated from retailers located within the Cornerstone Commons CID. This sales tax is remitted back to the developer to reimburse for certain eligible costs associated with the development in accordance with K.S.A. 12-6a26 (Community Improvement District Act).
12. **Transportation Utility Fund** – established to account for the transportation utility charges received based on an estimated land use formula per parcel to fund street and other transportation related improvements.
13. **Mission Farm and Flower Market Fund** – established to account for the Mission Farm and Flower Market.

CAPITAL PROJECTS FUND

1. **Equipment Reserve and Replacement Fund** – established to account for reserves and funding for major capital equipment purchase, upgrades, and replacements.

CITY OF MISSION, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2018

	Special Revenue Funds					
	Special Alcohol	Special Parks and Recreation	Special Law Enforcement	Special Highway	School District Sales Tax	Mission Convention and Visitors Bureau
Assets:						
Cash and investments	\$ 114,404	\$ 81,801	\$ 27,337	\$ 79,157	\$ 17,851	\$ 74,266
Receivables:						
Taxes	-	-	-	-	-	-
Other	-	-	-	64,134	-	-
Total assets	<u>\$ 114,404</u>	<u>\$ 81,801</u>	<u>\$ 27,337</u>	<u>\$ 143,291</u>	<u>\$ 17,851</u>	<u>\$ 74,266</u>
Liabilities, deferred inflows of resources, and fund balances:						
Liabilities:						
Accounts payable	\$ 4,208	\$ -	\$ -	\$ 19,665	\$ -	\$ 4,923
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>4,208</u>	<u>-</u>	<u>-</u>	<u>19,665</u>	<u>-</u>	<u>4,923</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	-	-	-	-	-	-
Fund balances:						
Restricted	110,196	81,801	27,337	123,626	17,851	69,343
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>110,196</u>	<u>81,801</u>	<u>27,337</u>	<u>123,626</u>	<u>17,851</u>	<u>69,343</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 114,404</u>	<u>\$ 81,801</u>	<u>\$ 27,337</u>	<u>\$ 143,291</u>	<u>\$ 17,851</u>	<u>\$ 74,266</u>

Special Revenue Funds							Capital Projects Fund	Total Nonmajor Governmental Funds
Donations and Gifts	Rock Creek Drainage District #1	Rock Creek Drainage District #2	Mission Crossing TIF	Cornerstone Commons CID	Transportation Utility	Mission Farm and Flower Market	Equipment Reserve and Replacement	
\$ 56,656	\$ 9,909	\$ 21,933	\$ 21,213	\$ 9,423	\$ 15,938	\$ 6,638	\$ 447,091	\$ 983,617
-	4,533	85,541	176,913	10,957	-	-	-	277,944
-	-	-	-	-	-	-	-	64,134
<u>\$ 56,656</u>	<u>\$ 14,442</u>	<u>\$ 107,474</u>	<u>\$ 198,126</u>	<u>\$ 20,380</u>	<u>\$ 15,938</u>	<u>\$ 6,638</u>	<u>\$ 447,091</u>	<u>\$ 1,325,695</u>
\$ -	\$ -	\$ -	\$ 189,468	\$ 14,347	\$ -	\$ 167	\$ -	\$ 232,778
-	-	-	-	-	-	6,812	-	6,812
-	-	-	189,468	14,347	-	6,979	-	239,590
-	4,533	85,541	151,474	-	-	-	-	241,548
56,656	-	-	-	-	-	-	-	486,810
-	9,909	21,933	-	6,033	15,938	-	447,091	500,904
-	-	-	(142,816)	-	-	(341)	-	(143,157)
<u>56,656</u>	<u>9,909</u>	<u>21,933</u>	<u>(142,816)</u>	<u>6,033</u>	<u>15,938</u>	<u>(341)</u>	<u>447,091</u>	<u>844,557</u>
<u>\$ 56,656</u>	<u>\$ 14,442</u>	<u>\$ 107,474</u>	<u>\$ 198,126</u>	<u>\$ 20,380</u>	<u>\$ 15,938</u>	<u>\$ 6,638</u>	<u>\$ 447,091</u>	<u>\$ 1,325,695</u>

CITY OF MISSION, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2018

	Special Revenue Funds					
	Special Alcohol	Special Parks and Recreation	Special Law Enforcement	Special Highway	School District Sales Tax	Mission Convention and Visitors Bureau
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,384
Intergovernmental	80,108	80,108	-	256,180	-	-
Charges for services	-	-	-	-	-	-
Fines and fees	-	-	-	-	-	-
Interest	-	280	-	1,873	180	741
Miscellaneous	-	30,845	1,131	-	-	13,795
Total revenues	80,108	111,233	1,131	258,053	180	75,920
Expenditures:						
Current:						
General government	37,952	-	-	-	-	82,172
Public works	-	-	-	225,643	-	-
Culture and recreation	-	2,357	-	-	-	-
Capital outlay	-	210,000	-	-	-	-
Debt service:						
Principal	-	67,595	-	-	-	-
Interest	-	3,029	-	-	-	-
Total expenditures	37,952	282,981	-	225,643	-	82,172
Excess (deficiency) of revenues over (under) expenditures	42,156	(171,748)	1,131	32,410	180	(6,252)
Other financing sources (uses):						
Transfer in	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
Capital leases	-	210,000	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	210,000	-	-	-	-
Net change in fund balances	42,156	38,252	1,131	32,410	180	(6,252)
Fund balances, beginning	68,040	43,549	26,206	91,216	17,671	75,595
Fund balances, ending	\$ 110,196	\$ 81,801	\$ 27,337	\$ 123,626	\$ 17,851	\$ 69,343

Special Revenue Funds							Capital Projects Fund	Total Nonmajor Governmental Funds
Donations and Gifts	Rock Creek Drainage District #1	Rock Creek Drainage District #2	Mission Crossing TIF	Cornerstone Commons CID	Transportation Utility	Mission Farm and Flower Market	Equipment Reserve and Replacement	
\$ -	\$ 11,167	\$ 89,967	\$ 358,072	\$ 66,966	\$ -	\$ -	\$ -	\$ 587,556
-	-	-	-	-	-	-	-	416,396
-	-	-	-	-	-	6,799	-	6,799
-	-	-	-	-	122	-	-	122
-	31	824	-	-	206	-	-	4,135
51,804	-	-	-	-	-	1,356	14,736	113,667
51,804	11,198	90,791	358,072	66,966	328	8,155	14,736	1,128,675
-	-	-	506,832	78,727	-	11,127	495	717,305
-	-	-	-	-	-	-	-	225,643
-	-	-	-	-	-	-	-	2,357
-	-	-	-	-	-	-	-	210,000
-	-	-	-	-	-	-	-	67,595
-	-	-	-	-	-	-	-	3,029
-	-	-	506,832	78,727	-	11,127	495	1,225,929
51,804	11,198	90,791	(148,760)	(11,761)	328	(2,972)	14,241	(97,254)
-	-	-	-	-	-	-	100,000	100,000
-	(3,000)	(85,000)	-	-	-	-	-	(88,000)
-	-	-	-	-	-	-	-	210,000
-	-	-	-	-	-	-	24,500	24,500
-	(3,000)	(85,000)	-	-	-	-	124,500	246,500
51,804	8,198	5,791	(148,760)	(11,761)	328	(2,972)	138,741	149,246
4,852	1,711	16,142	5,944	17,794	15,610	2,631	308,350	695,311
\$ 56,656	\$ 9,909	\$ 21,933	\$ (142,816)	\$ 6,033	\$ 15,938	\$ (341)	\$ 447,091	\$ 844,557

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
STREET SALES TAX FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 575,000	\$ 616,486	\$ 41,486
Interest	100	2,827	2,727
Total revenues	575,100	619,313	44,213
Expenditures:			
Capital outlay	200,000	-	200,000
Debt service	472,316	472,315	1
Contingency	50,000	-	50,000
Total expenditures	722,316	472,315	250,001
Net change in fund balance	(147,216)	146,998	294,214
Fund balance, beginning	160,505	308,203	147,698
Fund balance, ending	\$ 13,289	\$ 455,201	\$ 441,912

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
CAPITAL IMPROVEMENT FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Interest	\$ -	\$ 10,309	\$ 10,309
Miscellaneous	60,000	64,359	4,359
Total revenues	60,000	74,668	14,668
Expenditures:			
Capital outlay	850,000	240,680	609,320
Debt service	650,474	650,473	1
Total expenditures	1,500,474	891,153	609,321
Deficiency of revenues under expenditures	(1,440,474)	(816,485)	623,989
Other financing sources:			
Transfers in	1,125,220	1,180,111	54,891
Net change in fund balance	(315,254)	363,626	678,880
Fund balance, beginning	335,876	420,890	85,014
Fund balance, ending	\$ 20,622	\$ 784,516	\$ 763,894

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
SPECIAL ALCOHOL FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 65,000	\$ 80,108	\$ 15,108
Expenditures:			
General government	61,000	37,952	23,048
Contingency	40,000	-	40,000
Total expenditures	101,000	37,952	63,048
Net change in fund balance	(36,000)	42,156	78,156
Fund balance, beginning	45,200	68,040	22,840
Fund balance, ending	\$ 9,200	\$ 110,196	\$ 100,996

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
SPECIAL PARKS AND RECREATION FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 65,000	\$ 80,108	\$ 15,108
Interest	200	280	80
Miscellaneous	-	30,845	30,845
Total revenues	65,200	111,233	46,033
Expenditures:			
Capital outlay	50,000	212,357	(162,357)
Debt service	12,100	70,624	(58,524)
Contingency	25,000	-	25,000
Total expenditures	87,100	282,981	(195,881)
Deficiency of revenues under expenditures	(21,900)	(171,748)	(149,848)
Other financing sources:			
Capital leases	-	210,000	210,000
Net change in fund balance	(21,900)	38,252	60,152
Fund balance, beginning	33,886	43,549	9,663
Fund balance, ending	\$ 11,986	\$ 81,801	\$ 69,815

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
SPECIAL HIGHWAY FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 253,070	\$ 256,180	\$ 3,110
Interest	100	1,873	1,773
Total revenues	253,170	258,053	4,883
Expenditures:			
Public works	270,000	225,643	44,357
Contingency	20,000	-	20,000
Total expenditures	290,000	225,643	64,357
Net change in fund balance	(36,830)	32,410	69,240
Fund balance, beginning	44,407	91,216	46,809
Fund balance, ending	\$ 7,577	\$ 123,626	\$ 116,049

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
MISSION CONVENTION AND VISITORS BUREAU FUND

Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 40,000	\$ 40,000	\$ 61,384	\$ 21,384
Interest	100	100	741	641
Miscellaneous	10,000	10,000	13,795	3,795
Total revenues	50,100	50,100	75,920	25,820
Expenditures:				
General government	60,000	90,000	82,172	7,828
Net change in fund balance	(9,900)	(39,900)	(6,252)	33,648
Fund balance, beginning	17,415	17,415	75,595	58,180
Fund balance, ending	\$ 7,515	\$ (22,485)	\$ 69,343	\$ 91,828

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
ROCK CREEK DRAINAGE DISTRICT #1 FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 4,506	\$ 11,167	\$ 6,661
Interest	-	31	31
Total revenues	4,506	11,198	6,692
Expenditures:			
Contingency	3,650	-	3,650
Excess of revenues over expenditures	856	11,198	10,342
Other financing uses:			
Transfers out	(6,000)	(3,000)	3,000
Net change in fund balance	(5,144)	8,198	13,342
Fund balance, beginning	5,144	1,711	(3,433)
Fund balance, ending	\$ -	\$ 9,909	\$ 9,909

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
ROCK CREEK DRAINAGE DISTRICT #2 FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 90,857	\$ 89,967	\$ (890)
Interest	100	824	724
Total revenues	90,957	90,791	(166)
Expenditures:			
Contingency	19,200	-	19,200
Excess of revenues over expenditures	71,757	90,791	19,034
Other financing uses:			
Transfers out	(85,000)	(85,000)	-
Net change in fund balance	(13,243)	5,791	19,034
Fund balance, beginning	13,243	16,142	2,899
Fund balance, ending	\$ -	\$ 21,933	\$ 21,933

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
MISSION CROSSING TIF FUND

Year Ended December 31, 2018

	Original and Final Budgetd Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 190,265	\$ 358,072	\$ 167,807
Expenditures:			
Tax reimbursement	370,000	506,832	(136,832)
Net change in fund balance	(179,735)	(148,760)	30,975
Fund balance, beginning	31,698	5,944	(25,754)
Fund balance, ending	<u>\$ (148,037)</u>	<u>\$ (142,816)</u>	<u>\$ 5,221</u>

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
CORNERSTONE COMMONS CID FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 68,000	\$ 66,966	\$ (1,034)
Expenditures:			
General government	67,500	78,727	(11,227)
Contingency	8,000	-	8,000
Total expenditures	75,500	78,727	(3,227)
Net change in fund balance	(7,500)	(11,761)	(4,261)
Fund balance, beginning	9,495	17,794	8,299
Fund balance, ending	\$ 1,995	\$ 6,033	\$ 4,038

CITY OF MISSION, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
EQUIPMENT RESERVE AND REPLACEMENT FUND

Year Ended December 31, 2018

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:			
Miscellaneous	\$ -	\$ 14,736	\$ 14,736
Interest	200	-	(200)
Total revenues	200	14,736	14,536
Expenditures:			
General government	250,000	495	249,505
Excess (deficiency) of revenues over (under) expenditures	(249,800)	14,241	264,041
Other financing sources:			
Transfers in	100,000	100,000	-
Sale of general capital assets	40,000	24,500	(15,500)
Total other financing sources	140,000	124,500	(15,500)
Net change in fund balance	(109,800)	138,741	248,541
Fund balance, beginning	150,100	308,350	158,250
Fund balance, ending	\$ 40,300	\$ 447,091	\$ 406,791

CITY OF MISSION, KANSAS

AGENCY FUNDS

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds.

1. **License Reinstatement Fees Fund** – established to account for amounts collected through the court for driver's license reinstatement fees due to the State of Kansas.
2. **Alcohol and Drug Safety Fund** – established to account for monies collected and paid for Driving Under the Influence evaluations.
3. **Cafeteria Plan Fund** – established to account for monies collected for employee cafeteria plan contributions.

CITY OF MISSION, KANSAS
COMBINING BALANCE SHEET

AGENCY FUNDS

December 31, 2018

	License Reinstatement Fees	Alcohol and Drug Safety	Cafeteria Plan	Totals
<u>ASSETS</u>				
Cash and cash equivalents	\$ 8,653	\$ 20,699	\$ 35,975	\$ 65,327
<u>LIABILITIES</u>				
Due to others	\$ 8,653	\$ 20,699	\$ 35,975	\$ 65,327

CITY OF MISSION, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
<u>License Reinstatement Fees</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,609	\$ 30,246	\$ 28,202	\$ 8,653
<u>LIABILITIES</u>				
Due to others	\$ 6,609	\$ 30,246	\$ 28,202	\$ 8,653
<u>Alcohol and Drug Safety</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 20,819	\$ (120)	\$ -	\$ 20,699
<u>LIABILITIES</u>				
Due to others	\$ 20,819	\$ (120)	\$ -	\$ 20,699
<u>Cafeteria Plan</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 33,587	\$ 62,967	\$ 60,579	\$ 35,975
<u>LIABILITIES</u>				
Due to others	\$ 33,587	\$ 62,967	\$ 60,579	\$ 35,975
<u>Total Agency Funds</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 61,015	\$ 93,093	\$ 88,781	\$ 65,327
<u>LIABILITIES</u>				
Due to others	\$ 61,015	\$ 93,093	\$ 88,781	\$ 65,327

CITY OF MISSION, KANSAS

Statistical Section

This part of the City of Mission's *Comprehensive Annual Financial Report (CAFR)* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economical Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year.

CITY OF MISSION, KANSAS

NET POSITION BY COMPONENT

LAST TEN YEARS

(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	\$ 21,507,063	\$ 23,644,245	\$ 25,521,486	\$ 26,771,829	\$ 24,709,361	\$ 31,231,003	\$ 34,647,991	\$ 36,242,192	\$ 38,141,953	\$ 41,312,063
Restricted	941,397	791,098	550,988	63,337	5,682	672,282	738,850	676,572	327,129	486,810
Unrestricted	3,841,032	1,518,953	1,844,275	3,336,675	7,429,857	4,058,231	541,312	1,744,530	1,264,295	10,968,903
Total net position	<u>\$ 26,289,492</u>	<u>\$ 25,954,296</u>	<u>\$ 27,916,749</u>	<u>\$ 30,171,841</u>	<u>\$ 32,144,900</u>	<u>\$ 35,961,516</u>	<u>\$ 35,928,153</u>	<u>\$ 38,663,294</u>	<u>\$ 39,733,377</u>	<u>\$ 52,767,776</u>

Source: City of Mission, Kansas Basic Financial Statements.

CITY OF MISSION, KANSAS

CHANGES IN NET POSITION LAST TEN YEARS (accrual basis of accounting)

	2009	2010	2011
Expenses			
Governmental activities:			
General government	\$ 2,311,207	\$ 1,893,579	\$ 2,964,860
Public safety	3,624,111	3,613,022	3,791,275
Public works	3,990,772	4,388,119	3,332,773
Culture and recreation	2,733,024	2,695,954	2,607,459
Interest on long-term debt	1,276,197	1,007,059	974,679
Total primary government expenses	13,935,311	13,597,733	13,671,046
Program revenues			
Governmental activities:			
Charges for services:			
General government	161,865	132,871	781,913
Public safety	2,071,362	1,648,771	1,640,415
Public works	1,059,463	1,190,916	2,432,511
Culture and recreation	1,841,918	1,805,037	1,559,797
Operating grants and contributions:			
General government	-	-	-
Public safety	54,871	34,335	46,848
Public works	3,619,852	1,113,502	2,308,031
Total primary government program revenues	8,809,331	5,925,432	8,769,515
Total primary government net (expense)	(5,125,980)	(7,672,301)	(4,901,531)
General revenues and other changes in net position			
Governmental activities:			
Taxes:			
Property	2,002,647	1,781,288	1,449,265
Sales	3,972,155	3,973,428	4,057,445
Transient guest	37,721	19,500	20,642
Motor vehicle	166,532	158,653	159,717
Franchise	976,392	1,011,213	1,014,732
Investment earnings	37,475	4,282	2,348
Miscellaneous	1,187,205	388,741	159,835
Total primary government	8,380,127	7,337,105	6,863,984
Change in net position governmental activities	\$ 3,254,147	\$ (335,196)	\$ 1,962,453

Source: City of Mission, Kansas Basic Financial Statements.

2012	2013	2014	2015	2016	2017	2018
\$ 2,376,085	\$ 2,200,521	\$ 2,480,810	\$ 2,617,020	\$ 2,599,590	\$ 3,499,029	\$ 4,628,089
3,725,913	3,690,037	3,774,245	3,539,822	4,135,349	3,733,032	3,989,831
3,306,786	3,448,002	3,263,297	3,562,734	3,606,294	3,643,160	3,638,008
2,635,617	2,683,576	2,695,856	2,647,417	2,801,261	2,968,348	3,322,745
1,055,632	1,256,986	1,483,825	959,983	887,504	569,058	613,042
13,100,033	13,279,122	13,698,033	13,326,976	14,029,998	14,412,627	16,191,715
494,255	609,511	663,866	608,814	701,862	656,319	663,702
1,868,248	1,528,186	1,462,936	1,345,844	1,253,047	1,622,400	1,396,353
2,461,655	2,871,020	2,826,091	2,855,225	2,532,476	2,571,224	2,706,837
1,776,706	1,776,706	1,808,576	1,846,807	1,913,634	1,799,660	1,758,575
-	-	-	-	-	17,438	13,795
55,474	57,824	47,323	70,816	75,844	84,694	80,109
492,870	1,070,856	1,988,215	2,019,400	398,346	991,936	416,396
7,149,208	7,914,103	8,797,007	8,746,906	6,875,209	7,743,671	7,035,767
(5,950,825)	(5,365,019)	(4,901,026)	(4,580,070)	(7,154,789)	(6,668,956)	(9,155,948)
1,383,258	1,397,123	1,420,765	2,423,438	2,839,599	2,597,195	2,780,954
4,040,247	4,942,079	5,744,564	5,711,057	5,870,341	6,380,670	6,756,072
11,498	20,268	23,893	36,785	43,835	64,160	61,384
125,721	130,868	134,758	156,487	157,488	229,186	243,911
968,696	1,022,854	1,036,905	1,009,649	1,024,850	1,061,940	1,155,820
4,227	3,214	1,954	2,404	4,616	41,337	112,216
399,104	368,921	378,658	553,144	314,640	354,234	544,623
6,932,751	7,885,327	8,741,497	9,892,964	10,255,369	10,728,722	11,654,980
\$ 981,926	\$ 2,520,308	\$ 3,840,471	\$ 5,312,894	\$ 3,100,580	\$ 4,059,766	\$ 2,499,032

CITY OF MISSION, KANSAS

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN YEARS (modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund:										
Unassigned	\$ -	\$ -	\$ 1,335,927	\$ 1,340,574	\$ 1,551,771	\$ 2,341,433	\$ 2,860,180	\$ 3,214,825	\$ 4,239,499	\$ 4,984,889
Assigned	-	-	-	-	-	122,279	-	287,198	346,192	229,000
Committed	-	-	-	-	-	-	-	96,436	415,232	129,463
Reserved	34,269	34,915	-	-	-	-	-	-	-	-
Unreserved	2,473,479	1,289,577	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 2,507,748</u>	<u>\$ 1,324,492</u>	<u>\$ 1,335,927</u>	<u>\$ 1,340,574</u>	<u>\$ 1,551,771</u>	<u>\$ 2,463,712</u>	<u>\$ 2,860,180</u>	<u>\$ 3,598,459</u>	<u>\$ 5,000,923</u>	<u>\$ 5,343,352</u>
All other governmental funds										
Restricted	\$ -	\$ -	\$ 2,093,006	\$ 4,989,510	\$ 10,353,222	\$ 1,695,376	\$ 1,332,431	\$ 1,982,634	\$ 327,129	\$ 486,810
Committed	-	-	3,721	5,610	15,566	60,615	42,829	33,434	1,644,131	4,538,874
Assigned	-	-	-	-	-	63,100	-	-	220,000	-
Unassigned	-	-	-	(48,129)	(46,223)	(45,010)	(41,720)	(30,882)	(27,179)	(149,768)
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,527,992	417,604	-	-	-	-	-	-	-	-
Debt service fund	941,397	791,098	-	-	-	-	-	-	-	-
Capital project funds	815,477	(453,906)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,284,866</u>	<u>\$ 754,796</u>	<u>\$ 2,096,727</u>	<u>\$ 4,946,991</u>	<u>\$ 10,322,565</u>	<u>\$ 1,774,081</u>	<u>\$ 1,333,540</u>	<u>\$ 1,985,186</u>	<u>\$ 2,164,081</u>	<u>\$ 4,875,916</u>

Source: City of Mission, Kansas Basic Financial Statements.

Notes: The City implemented GASB Statement No. 54 in 2011 which establishes new categories for reporting fund balances.

In 2013, the City issued Series 2013A, 2013B, and 2013C General Obligation bonds for a total issuance of \$ 9,670,000.

CITY OF MISSION, KANSAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS

(modified accrual basis of accounting)

	2009	2010	2011
Revenues:			
Taxes	\$ 7,064,955	\$ 6,927,357	\$ 6,690,601
Special assessments	90,492	16,725	11,200
Intergovernmental	3,674,723	1,147,837	2,354,879
Licenses and permits	161,865	132,871	158,156
Charges for services	2,801,599	2,793,683	4,616,065
Fines and fees	2,171,144	1,851,040	1,640,415
Special assessments	-	-	-
Interest	37,475	4,282	2,348
Miscellaneous	1,212,405	415,230	187,679
Total revenues	17,214,658	13,289,025	15,661,343
Expenditures:			
General government	1,912,691	1,907,311	1,925,928
Public safety	3,473,046	3,438,881	3,710,722
Public works	3,489,138	3,335,084	2,113,493
Culture and recreation	2,475,261	2,477,811	2,434,362
Capital outlay	3,899,569	2,673,142	5,545,434
Debt service:			
Principal	28,400,000	12,365,000	2,976,408
Interest and other charges	1,606,635	1,329,292	1,047,541
Total expenditures	45,256,340	27,526,521	19,753,888
Excess of revenues over (under) expenditures	(28,041,682)	(14,237,496)	(4,092,545)
Other financing sources (uses):			
Transfers in	1,634,590	2,609,467	1,250,000
Transfers out	(1,634,590)	(2,609,467)	(1,250,000)
Bond premium	-	105,663	-
Issuance of debt - leases	-	273,507	520,911
Issuance of debt - bonds	22,910,000	10,145,000	4,925,000
Sale of general capital assets	-	-	-
Total other financing sources (uses)	22,910,000	10,524,170	5,445,911
Net change in fund balances	\$ (5,131,682)	\$ (3,713,326)	\$ 1,353,366
Debt service as a percentage of noncapital expenditures	72.76%	54.93%	26.49%

Source: City of Mission, Kansas Basic Financial Statements.

2012	2013	2014	2015	2016	2017	2018
\$ 6,571,139	\$ 7,514,184	\$ 8,329,707	\$ 8,440,524	\$ 9,772,782	\$ 10,333,151	\$ 10,998,141
10,426	-	-	-	-	-	-
548,344	1,128,680	2,035,538	2,090,216	474,190	1,076,630	496,505
134,743	198,191	135,133	141,750	152,245	162,439	155,469
4,597,873	5,059,046	5,163,400	5,169,096	4,995,727	4,864,764	4,973,644
1,868,248	1,528,186	1,462,936	1,345,844	1,253,047	1,622,400	1,406,735
-	-	-	-	-	-	1,498,990
4,227	3,214	1,954	2,404	4,616	41,337	112,216
428,373	399,687	410,738	587,139	350,375	329,377	569,918
14,163,373	15,831,188	17,539,406	17,776,973	17,002,982	18,430,098	20,211,618
1,721,635	1,817,454	1,876,551	2,047,368	1,921,928	3,396,458	3,585,610
3,652,781	3,540,422	3,667,321	3,480,670	3,868,458	3,457,920	3,756,157
2,048,877	2,005,594	1,926,534	2,195,809	1,841,605	2,132,215	2,007,478
2,407,179	2,418,064	2,421,207	2,268,368	2,440,954	2,504,971	2,637,958
2,244,246	6,761,526	8,912,494	3,225,688	1,735,962	1,974,163	1,099,691
2,450,000	2,420,000	19,399,203	3,979,313	3,245,596	3,438,471	3,556,090
1,143,744	1,253,371	1,370,028	1,013,218	926,474	850,807	751,838
15,668,462	20,216,431	39,573,338	18,210,434	15,980,977	17,755,005	17,394,822
(1,505,089)	(4,385,243)	(22,033,932)	(433,461)	1,022,005	675,093	2,816,796
682,000	325,557	351,450	1,339,356	1,181,764	1,334,887	1,478,111
(682,000)	(325,557)	(351,450)	(1,339,356)	(1,181,764)	(1,334,887)	(1,478,111)
-	302,014	418,111	-	-	-	-
-	-	190,000	389,388	367,920	-	210,000
4,360,000	9,670,000	13,830,000	-	-	-	-
-	-	-	-	-	121,340	27,468
4,360,000	9,972,014	14,438,111	389,388	367,920	121,340	237,468
\$ 2,854,911	\$ 5,586,771	\$ (7,595,821)	\$ (44,073)	\$ 1,389,925	\$ 796,433	\$ 3,054,264
25.62%	26.84%	66.36%	31.86%	27.88%	27.18%	26.44%

CITY OF MISSION, KANSAS

GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN YEARS

Fiscal Year December 31,	Property Tax	City Sales Tax	City Use Tax	County Sales Tax	County Use Tax	Transient Guest Tax	Development District Tax	Franchise Tax	Total
2009	\$ 2,078,687	\$ 2,484,314	\$ 439,764	\$ 918,713	\$ 129,364	\$ 37,721	\$ -	\$ 976,392	\$ 7,064,955
2010	1,923,216	2,475,013	471,969	897,296	129,150	19,500	-	1,011,213	6,927,357
2011	1,597,782	2,564,793	379,031	938,788	174,833	20,642	-	1,014,732	6,690,601
2012	1,550,697	2,482,815	372,011	1,002,287	174,692	11,498	-	977,139	6,571,139
2013	1,528,984	3,143,802	502,158	1,015,709	174,756	20,268	-	1,128,507	7,514,184
2014	1,524,678	3,700,732	1,003,224	876,568	163,707	23,893	-	1,036,905	8,329,707
2015	1,683,032	3,739,017	914,404	886,416	171,221	36,785	-	1,009,649	8,440,524
2016	2,833,757	3,731,155	821,687	982,627	199,878	43,835	134,993	1,024,850	9,772,782
2017	2,826,381	3,939,487	946,090	1,120,687	235,966	64,160	138,440	1,061,940	10,333,151
2018	3,024,865	4,005,307	1,178,272	1,178,715	250,573	61,384	143,205	1,155,820	10,998,141

Source: City of Mission, Kansas Basic Financial Statements.

CITY OF MISSION, KANSAS

LOCAL SALES AND CONSUMPTION TAX COLLECTIONS LAST TEN YEARS

December 31, 2018

Category	Local Sales Tax Collected									
	2009	2010	2011	2012	2013	2014	2015	2016 ⁽¹⁾	2017	2018
Auto sales, repairs and parts	\$ 264,802	\$ 297,058	\$ 336,701	\$ 232,132	\$ 213,482	\$ 228,554	\$ 300,907	\$ 291,347	\$ 313,159	\$ 359,427
Clothing, department and shoe stores	432,385	415,520	438,675	453,851	583,131	682,553	655,278	758,033	794,015	846,658
Building construction, repairs, and maintenance	84,602	67,472	53,265	58,198	60,187	92,319	143,443	125,380	195,077	193,325
Grocery and drug stores	386,318	437,049	449,708	431,180	535,619	620,021	593,849	678,796	732,485	814,652
Medical	15,962	18,900	19,979	22,897	33,419	27,661	18,874	21,721	32,693	38,897
Hotels, restaurants and entertainment	424,966	389,738	431,435	412,674	469,695	648,415	638,244	791,752	822,731	876,828
Specialty	173,076	173,346	181,528	161,861	265,677	285,063	380,581	527,942	538,996	556,102
Utilities/communications	373,797	379,538	358,793	332,923	436,971	505,198	416,654	473,119	562,856	594,517
All other outlets	328,406	296,392	294,709	377,099	545,621	576,026	607,284	952,820	877,676	887,752
Total	<u>\$ 2,484,314</u>	<u>\$ 2,475,013</u>	<u>\$ 2,564,793</u>	<u>\$ 2,482,815</u>	<u>\$ 3,143,802</u>	<u>\$ 3,665,810</u>	<u>\$ 3,755,114</u>	<u>\$ 4,620,910</u>	<u>\$ 4,869,688</u>	<u>\$ 5,168,158</u>
<u>City Sales Tax Rates:</u>										
General sales tax	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Street sales tax (for 10 years)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Parks sales tax (for 10 years)	0.00%	0.00%	0.00%	0.00%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%
	1.25%	1.25%	1.25%	1.25%	1.63%	1.63%	1.63%	1.63%	1.63%	1.63%

Source: Kansas Department of Revenue.

(1) 2016 Sales Tax totals were corrected.

CITY OF MISSION, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY (1)
LAST TEN YEARS

Year Ended December 31,		Real Property	
Assessment Year	Budget Year	Assessed Value	Estimated Actual Value
2008	2009	\$ 124,812,666	\$ 900,169,960
2009	2010	117,416,873	858,323,410
2010	2011	115,357,123	862,419,740
2011	2012	112,043,638	854,717,930
2012	2013	112,122,375	848,855,960
2013	2014	115,710,355	879,419,020
2014	2015	120,318,510	910,954,710
2015	2016	130,726,507	966,136,620
2016	2017	138,659,697	1,026,050,700
2017	2018	156,541,757	1,139,513,100

- (1) Information obtained from the Johnson County Records and Tax Administration Annual Abstract of Taxes.

Personal Property		Total Assessed Value	Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value	Total Direct Tax Rate (Per \$ 1,000)
Assessed Value	Estimated Actual Value				
\$ 3,389,601	\$ 11,298,670	\$ 128,202,267	\$ 911,468,630	14.07%	13.215
3,104,763	10,349,210	120,521,636	868,672,620	13.87%	13.217
2,594,652	8,648,840	117,951,775	871,068,580	13.54%	11.213
2,107,544	7,025,147	114,151,182	861,743,077	13.25%	11.371
1,725,925	5,753,083	113,848,300	854,609,043	13.32%	11.410
1,490,100	4,967,000	117,200,455	884,386,020	13.25%	11.413
1,270,673	4,235,577	121,589,183	915,190,287	13.29%	11.354
1,250,762	4,169,207	131,977,269	970,305,827	13.60%	18.225
1,000,871	3,336,237	139,660,568	1,029,386,937	13.57%	18.019
944,126	3,147,087	157,485,883	1,142,660,187	13.78%	17.973

CITY OF MISSION, KANSAS

PROPERTY TAX RATES PER \$ 1,000 OF ASSESSED VALUATION DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN YEARS

Year Ended December 31,	City				Johnson County	Shawnee Mission School District	Johnson County Community College	Consolidated Fire District #2	Johnson County Library	Johnson County Parks and Recreation	Total
	General Fund	Storm Drain Fund	General Obligation Fund	Total Direct Rate							
2009	13.215	1.005	1.030	15.250	17.7670	52.0940	8.768	8.992	3.057	2.341	108.269
2010	11.182	1.005	1.030	13.217	17.7160	55.3180	8.784	8.991	3.151	2.346	109.523
2011	10.183	0.000	1.030	11.213	17.7480	57.1920	8.799	10.074	3.158	2.350	110.534
2012	10.326	0.000	1.045	11.371	17.7000	56.1350	8.776	10.098	3.145	2.343	109.568
2013	10.361	0.000	1.049	11.410	17.7000	56.1350	8.776	10.098	3.145	2.343	109.607
2014	10.363	0.000	1.050	11.413	17.7450	55.6110	9.551	11.004	3.155	2.347	110.826
2015	11.354	0.000	0.000	11.354	17.7640	55.9110	9.461	11.003	3.157	2.349	110.999
2016	18.225	0.000	0.000	18.225	19.5820	54.0590	9.469	11.757	3.912	3.101	120.105
2017	18.019	0.000	0.000	18.019	19.5900	54.9400	9.473	11.789	3.915	3.102	120.828
2018	17.973	0.000	0.000	17.973	19.3180	53.6630	9.503	11.760	0.392	3.112	115.721

Information provided by the Johnson County, Kansas County Clerk's Tax Roll Press Release.

(1) Property Tax rates per \$ 1,000 of Assessed Valuation

CITY OF MISSION, KANSAS

PRINCIPAL PROPERTY TAXPAYERS

December 31, 2018 and Nine Years Ago

Taxpayer	2018			2009		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	2008 Assessed Valuation	Rank	% of Total Assessed Valuation
Scriptpro	\$ 4,701,050	1	2.99%	\$ 6,310,800	1	4.92%
Target	3,529,804	2	2.24%	1,889,350	6	1.47%
CAPROCQ KC Mission, L.L.C.	3,181,213	3	2.02%	-		
K and D Huchingson LLP	3,108,250	4	1.97%	-		
Guard LLC	3,108,250	5	1.97%	-		
Bridges at Foxridge NF L.L.C.	3,097,870	6	1.97%	-		
Tower Properties Company	3,063,025	7	1.94%	1,769,966	9	1.38%
SNH Medical Properties	2,863,873	8	1.82%	-		
Silverwood Apartments, L.L.C.	2,814,165	9	1.79%	1,789,285	7	1.40%
Whispering Falls, L.L.C.	2,449,615	10	1.56%	-		
Mission Mart Shopping Center	2,072,770	11	1.32%	1,685,458	10	1.31%
Block Properties Company	2,145,312	12	1.36%	1,779,083	8	1.39%
Southwestern Bell Telephone	-			2,198,168	3	1.71%
Broadmoor Place Joint Venture	-			2,150,250	4	1.68%
Mission Towers Properties	-			2,904,001	2	2.27%
Sixty Three West Investors	-			2,018,676	5	1.57%
Total	\$ 36,135,197		22.95%	\$ 24,495,037		19.11%

Source: Johnson County Clerk's Office

CITY OF MISSION, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN YEARS

Year Ended December 31,	Total Tax Levy	Current Taxes Collected	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy
2009	\$ 1,814,496	\$ 1,776,342	97.90%	\$ 36,912	\$ 1,813,254	99.9%
2010	1,694,787	1,657,376	97.80%	12,236	1,669,612	98.5%
2011	1,351,409	1,320,407	97.70%	29,563	1,349,970	99.9%
2012	1,341,230	1,321,097	98.50%	9,484	1,330,581	99.2%
2013	1,302,465	1,286,467	98.80%	13,977	1,300,444	99.8%
2014	1,299,351	1,279,755	98.50%	14,966	1,294,721	99.6%
2015	1,330,712	1,297,246	97.50%	3,139	1,300,385	97.7%
2016	2,215,969	2,160,946	97.50%	21,222	2,182,168	98.5%
2017	2,376,754	2,316,534	97.50%	21,222	2,337,756	98.4%
2018	2,510,100	2,445,831	97.40%	21,890	2,467,721	98.3%

Source: Johnson County, Kansas Records and Tax Administration and City of Mission Finance Records.

CITY OF MISSION, KANSAS

OUTSTANDING DEBT BY TYPE LAST TEN YEARS

Fiscal Year	General Obligation Bonds	Temporary Notes	Capital Improvement Bonds	Special Assessment Bonds	KDHE Loan Payable	Capital Leases Payable	Total	City Population	Personal Income	Debt Per Capita	Debt as a Percentage of Personal Income
2009	\$ 29,666,760	\$ 3,231,666	\$ 365,000	\$ 30,000	\$ -	\$ 122,359	\$ 33,415,785	10,020	\$ 279,257,400	3,335	11.97%
2010	30,800,663	-	185,000	20,000	273,507	67,336	31,346,506	9,323	328,701,011	3,362	9.54%
2011	32,748,611	485,000	-	10,000	99,864	407,344	33,750,819	9,323	328,701,011	3,620	10.27%
2012	34,625,964	485,000	-	-	95,887	265,454	35,472,305	9,323	328,701,011	3,805	10.79%
2013	42,210,431	485,000	-	-	91,792	164,814	42,952,037	9,323	328,701,011	4,607	13.07%
2014	37,518,281	-	-	-	87,589	226,067	37,831,937	9,323	328,701,011	4,058	11.51%
2015	33,430,089	-	-	-	83,276	480,378	33,993,743	9,323	328,701,011	3,646	10.34%
2016	30,178,416	-	-	-	78,851	693,132	30,950,399	9,323	328,701,011	3,320	9.42%
2017	26,871,743	-	-	-	74,339	454,174	27,400,256	9,323	328,701,011	2,939	8.34%
2018	23,470,070	-	-	-	69,678	385,142	23,924,890	9,323	328,701,011	2,566	7.28%

Source: Johnson County Treasurers Office and City of Mission Finance Records.

CITY OF MISSION, KANSAS

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA LAST TEN YEARS

Year Ended December 31,	Population ⁽¹⁾	Assessed Value ⁽²⁾	General Obligation Bonds ⁽³⁾	Less Amounts Available in Debt Service Fund ⁽³⁾	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Per Capita
2009	10,020	\$ 128,202,267	\$ 29,696,760	\$ 941,397	\$ 28,755,363	22.43%	\$ 2,870
2010	9,323	120,521,636	30,820,663	791,098	30,029,565	24.92%	3,221
2011	9,323	117,951,775	32,758,611	550,988	32,207,623	27.31%	3,455
2012	9,323	114,151,182	34,625,964	63,337	34,562,627	30.28%	3,707
2013	9,323	113,848,300	42,210,431	3,529,721	38,680,710	33.98%	4,149
2014	9,323	117,200,455	37,518,281	672,282	36,845,999	31.44%	3,952
2015	9,323	121,589,183	33,430,089	738,850	32,691,239	26.89%	3,507
2016	9,323	131,977,269	30,178,416	676,572	29,501,844	22.35%	3,164
2017	9,323	139,660,568	26,871,743	896,721	25,975,022	18.60%	2,786
2018	9,323	157,485,883	23,470,070	-	23,470,070	14.90%	2,517

(1) Source: US Census Bureau.

(2) Source: Johnson County Records and Tax Administration Annual Abstract of Taxes.

(3) Source: City of Mission Finance Records.

CITY OF MISSION, KANSAS

DIRECT AND OVERLAPPING DEBT

Name of Governmental Unit	Net Debt Obligation	Percentage Applicable to City of Mission	Amount Applicable to City of Mission
Direct debt:			
City of Mission, Kansas	\$ 23,924,861	100.00%	\$ 23,924,861
Overlapping debt: ⁽¹⁾			
Johnson County	12,543,341	1.49%	187,093
Shawnee Mission School (U.S.D. 512)	310,830,059	4.06%	12,607,652
Johnson County Parks and Recreation	6,180,000	16.09%	994,315
Johnson County Parks and Recreation	22,747,394	1.49%	339,294
Total overlapping debt	352,300,794		14,128,354
Total direct and overlapping debt	\$ 376,225,655		\$ 38,053,215

(1) Information provided by Johnson County Clerk's Office.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

CITY OF MISSION, KANSAS

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total assessed valuation of taxable property ⁽¹⁾	\$ 140,390,464	\$ 132,076,558	\$ 129,270,218	\$ 125,513,832
Debt limit percent of assessed value	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>
Debt limit	42,117,139	39,622,967	38,781,065	37,654,150
Total net debt applicable to limit	<u>2,915,000</u>	<u>2,740,000</u>	<u>6,535,000</u>	<u>9,865,000</u>
Legal debt margin	<u>\$ 39,202,139</u>	<u>\$ 36,882,967</u>	<u>\$ 32,246,065</u>	<u>\$ 27,789,150</u>
Total net debt applicable to the limit as a percentage of debt limit ⁽²⁾	6.92%	6.92%	16.85%	26.20%

Note 1: Total assessed valuation of taxable property on this table includes motor vehicle assessed valuation. See 2017 Equalized Tangible Valuation Table in the Johnson County Tax Abstract Report.

Note 2: Under Kansas State finance law, the City's outstanding unexcluded general obligation debt should not exceed 30 percent of the total assessed property value.

Note 3: Total net debt applicable to limit was revised for 2017 to reflect previously excluded bonds that were classified as Revenue Bonds when they are actually GO Bonds

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 125,197,213	\$ 128,836,941	\$ 133,572,726	\$ 144,400,516	\$ 152,648,490	\$ 171,027,097
<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>
37,559,164	38,651,082	40,071,818	43,320,155	45,794,547	51,308,129
<u>15,935,000</u>	<u>11,720,000</u>	<u>9,591,160</u>	<u>8,372,455</u>	<u>7,120,000 (3)</u>	<u>5,845,000</u>
<u>\$ 21,624,164</u>	<u>\$ 26,931,082</u>	<u>\$ 30,480,658</u>	<u>\$ 34,947,700</u>	<u>\$ 38,674,547</u>	<u>\$ 45,463,129</u>
42.43%	30.32%	23.93%	19.33%	15.55%	11.39%

CITY OF MISSION, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

<u>Fiscal Year</u>	<u>Population ⁽¹⁾</u>	<u>Unemployment Rate ⁽²⁾</u>	<u>Per Capita Personal Income ⁽¹⁾</u>	<u>Personal Income</u>
2009	10,020	6.3%	\$ 27,870	\$ 279,257,400
2010	9,323	6.8%	35,257	328,701,011
2011	9,323	6.0%	35,257	328,701,011
2012	9,323	5.4%	35,257	328,701,011
2013	9,323	3.8%	35,257	328,701,011
2014	9,323	3.3%	35,257	328,701,011
2015	9,323	3.3%	35,257	328,701,011
2016	9,323	2.9%	35,257	328,701,011
2017	9,323	2.5%	35,257	328,701,011
2018	9,323	2.6%	35,257	328,701,011

(1) Source: US Census Bureau data obtained every ten years.

(2) Source: Kansas Department of Labor statistics for Johnson County, Kansas.

CITY OF MISSION, KANSAS

PRINCIPAL EMPLOYERS

December 31, 2018 and Ten Years Ago

Employer	December 31, 2018			December 31, 2008		
	Employees	Rank	Percentage of Total Employment	Employees (1)	Rank	Percentage of Total Employment
AT&T Telecommunications	466	1	5.00%	400	2	3.99%
ScriptPro	398	2	4.27%	500	1	4.99%
HyVee Food Stores	350	3	3.75%	250	5	2.50%
Packaging Products Corp	250	4	2.68%			
Entercom	200	5	2.15%	100	9	1.00%
City of Mission (1)	175	6	1.88%	195	6	1.95%
VinSolutions	161	7	1.73%			
Skillpath, Inc.	160	8	1.72%	250	3	2.50%
U.S. Post Office	125	9	1.34%	250	4	2.50%
Legacy Technologies	100	10	1.07%			
Pryor Learning Solutions	100	11	1.07%			
Security Bank	95	12	1.02%			
Target	90	13	0.97%	140	8	1.40%
Cumulus Broadcasting (2)	75	14	0.80%	100	10	1.00%
Applebee's	58	15	0.62%			
Acendas	55	16	0.59%			
National Seminars Group (3)				165	7	1.65%
CGI Communigroup				100	10	1.00%
cGMP Validation, LLC				100	10	1.00%
Medical Staffing Network				100	10	1.00%
Total	<u>2,858</u>		<u>30.66%</u>	<u>2,650</u>		<u>26.48%</u>

(1) Includes part-time employees

(2) Formerly Susquehanna, Inc.

(3) Merged with Skillpath, Inc.

Source: Johnson County Economic Research Institute.

CITY OF MISSION, KANSAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety/municipal justice:										
911 calls received	8,432	10,583	9,150	10,004	9,640	9,619	10,295	9,492	9,751	7,868
DUI arrests	441	317	328	254	252	241	222	188	196	80
Traffic/parking complaints	20,745	16,947	14,471	15,360	10,724	10,185	9,569	9,995	11,267	7,658
Accidents	252	234	294	272	257	254	267	353	345	347
Investigations cases	668	732	543	450	474	368	458	407	338	275
Total court cases processed	18,849	17,158	14,760	16,624	10,808	10,237	9,537	8,356	9,308	7,087
Public works:										
Curb miles swept (lane miles)	1,263	925	1,416	880	1,327	1,490	890	785	1,455	1,210
Streets milled and overlaid (liner feet)	2,540	4,953	13,330	8,417	6,682	4,329	1,386	3,544	6,255	100
Sidewalk replaced (square yards)	341	1,619	6,015	455	5,134	6,776	2,265	138	2,760	218
Curb and gutter replaced (linear feet)	222	3,642	11,266	4,965	8,027	11,631	1,712	2,363	12,153	1,805
Acres of lawn mowed	1,240	1,240	1,240	1,240	1,461	1,575	1,599	1,599	1,599	1,599
Urban management and planning:										
Building permits processed	161	251	281	409	331	357	442	468	415	381
Plan reviews performed	20	26	17	14	10	14	26	20	26	13
Leisure and recreation:										
Annual memberships sold	2,520	2,871	2,115	2,031	2,413	2,835	2,140	1,969	1,628	1,835
Annual membership revenue	952,658	941,704	932,068	872,878	854,846	834,076	825,630	802,554	669,823	621,649
Facility reservations processed	1,012	846	906	1,027	817	1,560	1,374	1,723	2,147	1,679
Facility reservation revenue	247,984	214,995	209,024	221,259	187,577	194,746	222,183	280,731	273,496	283,536
Pool membership sold	315	349	323	262	349	998	291	345	313	469
Pool revenue	63,998	67,880	55,932	57,339	50,684	104,750	104,544	123,679	121,198	135,974

Source: Various City departments.

CITY OF MISSION, KANSAS

FULL TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN YEARS

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Administration/finance	7	7	7.0	7.0	6.0	5.0	5.0	5.0	7.0	7.0
Community development	4	4	4.0	5.0	5.0	5.0	5.0	5.0	3.0	3.0
Municipal court	3	3	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Public works	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Police	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Parks and recreation	13.0	13.0	12.0	13.0	13.0	13.0	12.0	12.0	12.0	13.0
Total	69.0	69.0	68.0	70.0	69.0	69.0	68.0	68.0	68.0	69.0

Source: City of Mission, Kansas Budget.

CITY OF MISSION, KANSAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN YEARS

December 31, 2018

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police:										
Stations	1	1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public works:										
Miles of streets	44.7	44.7	44.7	44.7	44.7	44.7	44.7	44.7	44.7	44.7
Streetlights	960.0	960.0	845.0	845.0	845.0	805.0	805.0	805.0	850.0	850.0
Parks and recreation:										
Parks and recreation:	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Park acreage	30.4	30.4	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Pools	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Tennis courts	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community center	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Source: City of Mission, Kansas.